

2024

Sustainable Development (ESG) Report

SANY Heavy Industry Co., Ltd.



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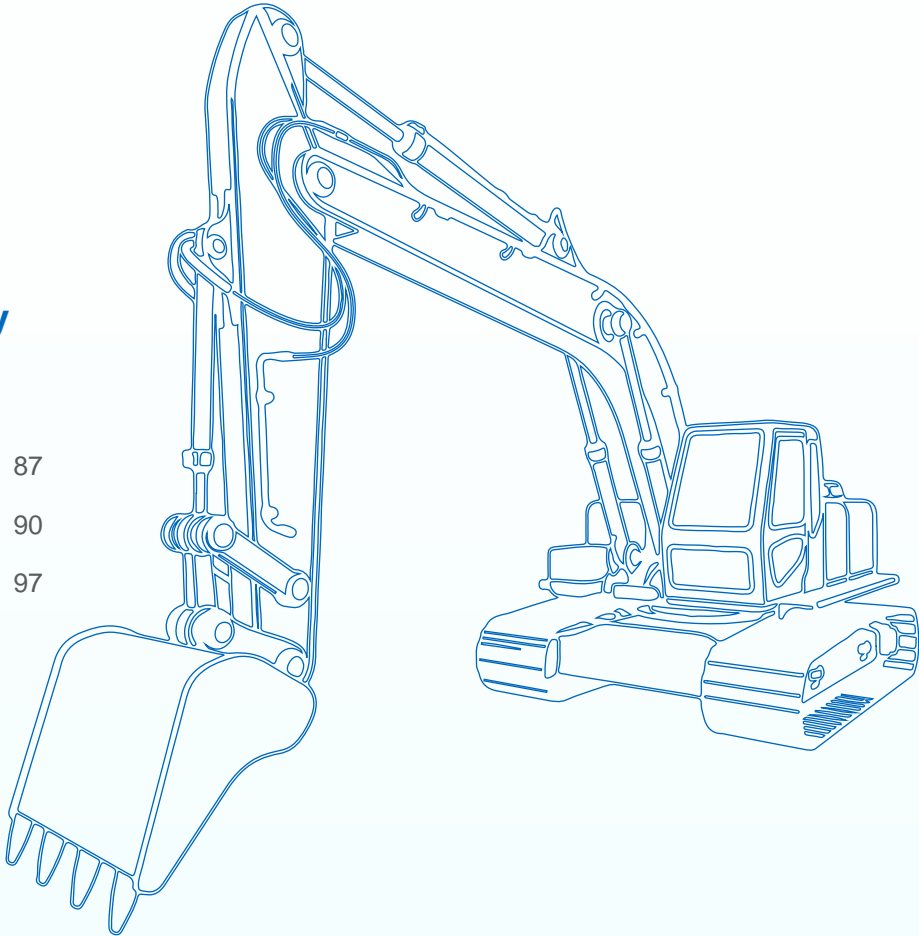
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About This Report

This is the 2024 Sustainable Development (ESG) Report (hereinafter referred to as "this Report") released by SANY Heavy Industry Co., Ltd. This Report provides a truthful account of SANY Heavy Industry's efforts to fulfill the economic, social, and environmental responsibilities and to advance sustainable development. It also represents the Company's response to key issues of concern to stakeholders. This Report has been reviewed by the Board of Directors, which is responsible for the authenticity and effectiveness of the information disclosed herein. In the event of any discrepancy with other public documents, the annual report shall prevail.



Reporting Period

This Report covers the period from January 1, 2024, to December 31, 2024. To ensure continuity, certain content may include information from before or after the reporting period.

Reporting Scope

This Report covers SANY Heavy Industry Co., Ltd. and its subsidiaries.

Data Sources

All information and data presented in this Report are from the Company's official documents, statistical reports, and financial reports, as well as data collected, consolidated, and reviewed by the Company. This Report is published in both Chinese and English. In the event of any inconsistency, the Chinese version shall prevail. Unless otherwise specified, all monetary amounts are denominated in RMB (Yuan).

Basis of Preparation

This Report is prepared in accordance with the *Guidelines No.14 of Shanghai Stock Exchange for Self-Regulation of Listed Companies—Sustainability Report (Trial)* and the *Guide No.4 for Self-Regulatory Supervision on Listed Companies of the SSE — Compilation of Sustainable Development Reports* released by Shanghai Stock Exchange(SSE), with reference to the *Sustainability Reporting Standards* (the "GRI Standards") issued by the Global Reporting Initiative (GRI), and the *Guidelines on Corporate Social Responsibility Reporting for Chinese Enterprises* (CASS-ESG 6.0) issued by the Chinese Academy of Social Sciences.

Terminology

For ease of expression and readability, "SANY Heavy Industry Co., Ltd." is referred to in this Report as "SANY Heavy Industry," "the Company," or "we."

Access to This Report

This Report is available for download and viewing on the official websites of the Shanghai Stock Exchange(www.sse.com.cn) and the Company (www.sany.com.cn).

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Message from the Chairman

SANY Heavy Industry Co., Ltd.
Chairman Xiang Wenbo



Looking back at 2024, a year full of both challenges and opportunities, we remained steadfast in our mission of "Quality Changes the World." Guided by the philosophy of long-termism, we focused on three core strategies—Globalization, Digitalization, and Decarbonization—driving the high-quality development of the Company. Amidst two historic opportunities, the Chinese Dream of national rejuvenation and the "super technology window" brought by the intersection of the Fourth Industrial Revolution and the Third Energy Revolution, we embraced transformation, seized opportunities, and stayed confident in our pursuit of a high-quality, sustainable future.

In advancing our "Globalization" strategy, we played a leading role in the industry by fostering an open and win-win ecosystem. With an expanding global presence across over 180 countries and regions, the Company achieved leapfrog progress in 2024: overseas revenue reached a record high, surpassing 60% of total sales. We firmly believe that open cooperation and technology sharing are essential to advancing the green transformation of global infrastructure. Looking ahead, we will continue to delve into the global market and enhance customer value through localized operations, supporting China's intelligent manufacturing in driving the global energy transition and sustainable development.

Guided by the "Digital - Intelligence Blueprint", we continuously promote the transformation towards "Digitalization" and "Decarbonization", setting new benchmarks for sustainable industrial development. At the nexus of industrial and energy revolutions, we have established several new "smart factories" and national-level 5G factories, achieving over 30% improvement in production efficiency. In 2024, SANY Heavy Industry was recognized as "China's Leading Enterprise in Industrial Data Governance", with innovations in simulation, digital twins, and data governance earning praise at home and abroad. Our portfolio of new energy products was further upgraded—solutions like electric loaders and hydrogen-powered mixers received strong endorsements from global customers at bauma CHINA. We will continue to build new quality productive forces through intelligent manufacturing and green energy technology, contributing to China's "Dual Carbon" goals and global climate action.

Talent is the lifeblood of a thriving enterprise, and innovation is the cornerstone of societal progress. In the areas of talent and innovation, we continued to reinforce our foundation and actively fulfilled our commitment to high-quality development. In 2024, we comprehensively improved our talent strategy. A younger and more international talent pipeline began to take shape, with a notable increase in the proportion of young leaders among the senior management team. We recognize that only by aligning employees' growth with the Company's future can we unlock true innovation potential. To this end, we continuously optimized our compensation system and enhanced professional training to ensure every employee shares in the fruits of development.

In terms of social responsibility, SANY Heavy Industry's achievements would not be possible without the support of society. We remain committed to business ethics, strengthening supply chain risk management, and safeguarding the interests of partners. We invested over RMB 100 million in public welfare initiatives such as rural revitalization and educational support, benefiting tens of thousands of families. In the face of extreme weather events, our emergency equipment teams responded promptly on the front lines, harnessing technology to protect lives and homes. This is our way of adhering to our belief that "national responsibility outweighs corporate interest." In 2024, SANY Heavy Industry received multiple honors, including "Outstanding CSR Enterprise of the Year" and inclusion in the "2nd Guoxin Cup · ESG Golden Bull Award Top 100 List." These recognitions highlight the Company's leadership in driving the integration of ESG principles throughout its operations, injecting strong momentum and innovative vitality into the sustainable development of the industry.

Looking to 2025, opportunities remain, and challenges persist. Guided by our three core strategies, we will continue to advance technological innovation, enhance risk management, and improve governance capabilities. In an uncertain world, we remain committed to creating tangible value and contributing to global sustainable development.

About SANY Heavy Industry

Company Profile

SANY Heavy Industry (600031.SH) was listed on July 3, 2003. It was the first enterprise in China to successfully complete the split-share structure reform and achieve full circulation of shares. In July 2011, SANY Heavy Industry was included in the Financial Times (FT) Global 500 list for the first time, becoming the only Chinese construction machinery company on the list. In 2012, SANY Heavy Industry completed the cross-border acquisition of German manufacturer Putzmeister, renowned as the world's leading brand of concrete machinery. In May 2021, SANY Heavy Industry was ranked 468th on the Forbes Global 2000 list, marking its first entry into the prestigious Global Fortune 500, which positioned the Company as the top in China and the second globally in engineering machinery on the list.

SANY Heavy Industry offers a diverse product portfolio including concrete machinery, excavators, cranes, road construction machinery, and piling machinery. The Company's concrete machinery has maintained its position as the world's No. 1 brand. In 2020, our excavator sales topped the global rankings for the first time.

SANY Heavy Industry has established a global presence, with industrial parks in major Chinese cities including Beijing, Changsha, Shanghai, Kunshan, and Chongqing, as well as overseas manufacturing bases in India, the United States, Germany, and Indonesia.

Adhering to the mission of "Quality Changes the World," SANY Heavy Industry consistently allocates over 5% of its annual revenue to R&D, aiming to deliver world-class products. Thanks to its strong innovation capabilities, the Company has been awarded the State Scientific and Technological Progress Award three times and the State Technological Invention Award twice, the highest honors ever granted to the engineering machinery sector in China.

SANY's equipment, renowned for its superior quality, has been widely used in landmark projects worldwide, such as the Burj Khalifa, Beijing Olympic venues, London Olympic venues, Brazil World Cup Stadium, Shanghai Tower, Hong Kong International Finance Center, the Hong Kong-Zhuhai-Macau Bridge, Beijing Daxing International Airport, and Xiong'an New Area.



Concrete Machinery

Main products include truck-mounted concrete pumps, trailer pumps, truck mixers, and concrete batching plants.
Concrete machinery is widely used in construction, bridges, tunnels, and foundation engineering.

Excavators

Our excavator line includes large, medium, small, and mini models.
These are primarily used in agriculture, water conservancy, railways, highways, construction, real estate, and mining industries.

Cranes

Main products include truck cranes and crawler cranes.
These are widely applied in sectors such as power, steel, bridges, shipbuilding, and petrochemicals. Small truck cranes are typically used in municipal projects and general cargo, while large truck cranes and crawler cranes are used in power, steel, shipbuilding, and petrochemical industries.

Piling Machinery

Main product includes rotary drilling rigs.
These are mainly used in municipal engineering, highway and bridge construction, industrial and civil buildings, underground diaphragm walls, water conservancy, anti-seepage slope protection, and other infrastructure construction projects.

Road Construction Machinery

Main products include rollers, pavers, graders, and asphalt batching plants.
These are mainly applied in the construction of highways, urban roads, and airport runways.

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Honors in 2024

June 2024

State Scientific and Technological Progress Award for SANY Automobile Manufacturing Co., Ltd.'s contributions to "Key Technologies in the Shanghai Tower Project"

State Council of the People's Republic of China

July 2024

Outstanding CSR Enterprise of the Year

Southern Weekly

September 2024

China's Leading Enterprise in Industrial Data Governance

China Federation of Industrial Economics

October 2024

2024 Digital Twin Innovation Application Award

The 4th Digital Twin International Conference

November 2024

China's Most Admired Companies

Fortune

October & December 2024

2023 Golden Bull Most Valuable Investment Award
2023 Golden Bull Best Information Disclosure Award
2nd Guoxin Cup - ESG Golden Bull Award Top 100 List

China Securities Journal

ESG Performance Highlights in 2024



Globalization, Digitalization & Decarbonization Strategies

- International core business revenue reached RMB **48.513** billion, a **12.15%** year-on-year increase, accounting for **63.98%** of total operating revenue.
- 70** low-carbon patents were granted.
- Sales revenue from new energy products reached RMB **4.025** billion.



Optimizing Operations to Shape First-Class Governance

- 1** Annual General Meetings of Shareholders and **3** Extraordinary General Meetings were convened; **7** meetings of the Board of Directors and **6** meetings of the Board of Supervisors were held, all with **100%** attendance.
- 29** sessions of risk control training were conducted, covering **1,944** cumulative participants.
- Internal control assessments were launched, with **177** self-assessment tasks and **61** re-assessment tasks created, covering **8,965** assessment points including business ethics evaluations.
- Anti-corruption audits were carried out across headquarters and all subsidiaries, achieving **100%** coverage.
- 100%** of suppliers signed integrity agreements and commitment letters.



Driving Technological Innovation to Deliver First-Class Products

- R&D investment totaled RMB **5.38** billion, accounting for **7.06%** of total operating revenue.
- 5,867** R&D personnel were employed, representing **23.13%** of all employees; R&D incentives totaled RMB **130** million.
- 22** subsidiaries were certified under the ISO 9001 Quality Management System.
- No major product safety incidents or customer privacy breaches were reported.
- 1,047** patent applications were submitted in 2024, and **691** patents were authorized. As of the end of 2024, a total of **8,977** domestic and overseas patents have been obtained, ranking **first** in the number of patents in China's construction machinery industry.
- Overall supplier satisfaction scored **4.23**, up from previous years.



Low-Carbon Development and First-Class Operations

- Environmental protection investment reached RMB **520** million; energy-saving projects saved a total of RMB **32** million.
- 12** out of **22** main machine and parts manufacturing subsidiaries were certified under the ISO 14001 Environmental Management System.
- 100%** of subsidiaries obtained emission permits; emissions of wastewater, waste gas, and on-site noise were fully compliant; hazardous waste was **100%** legally disposed of, with no reported cases of non-compliant emission.
- 21** subsidiaries installed photovoltaic power systems, using **76.072** million kWh of clean energy, which accounted for **13.8%** of total energy consumption.



Developing a People-Centered Culture to Foster First-Class Talent

- 100%** labor contract signing rate and no major labor disputes, strikes, or layoffs occurred.
- Employees from over **40** ethnic groups; **3,305** female employees, with **12%** female representation in senior management.
- An employee stock ownership plan worth RMB **550** million was launched, with **6,241** participants; mid- and long-term incentives totaling RMB **230** million were cashed in 2024.
- 2,178** employees received professional certifications, including **596** external certifications, and the total number of certified employees reached **13,251**.
- 485** training sessions were delivered to **27,658** cumulative participants, covering **93.25%** of employees, with an average training duration of **147** hours per person.
- 398** employees in need received support, with approximately RMB **621,000** in relief funds granted.
- 17,268** employees participated in the annual satisfaction survey, achieving a score of **92**.
- 12** out of 22 main machine and parts manufacturing subsidiaries were certified under ISO 45001 Occupational Health and Safety Management System.
- Occupational health and safety targets were achieved: the injury rate in a thousand workers is **1.78‰**, the completion rate of tiered safety training is **100%**, the number of occupational disease cases is **0**, and the rate of health checkup is **100%**.
- 176,441** cumulative participants attended occupational health and safety training, totaling **187,076** hours.
- Approximately **26,000** cumulative participants took work safety responsibility exams, with a pass rate of **99.2%**.



Giving Back to Society to Make First-Class Contributions

- RMB **18.16** million was invested in disaster relief, rural revitalization, and educational aid in 2024, bringing the cumulative total to RMB **340** million. **143** public welfare activities were held, contributing **2,739** volunteer hours.
- The "SANY Public Welfare" platform has registered **24,220** volunteers. A total of **62** volunteer teams conducted **201** public service activities across **13** cities in China, accumulating **5,241.7** hours of volunteer service.
- A total of **1,371** employee volunteer engagements were recorded, reaching **2,121** beneficiaries.
- The annual length of disaster response operations totaled **150** days, with **100** pieces equipment mobilized and **60** personnel dispatches made.






Sustainability Management





Stakeholder Communication

SANY Heavy Industry has established regular communication mechanisms to gain an in-depth understanding of and actively respond to stakeholder expectations and concerns. By conducting periodic materiality assessments, the Company incorporates key stakeholder concerns into daily operations and decision-making to create shared value.

Communication Strategy

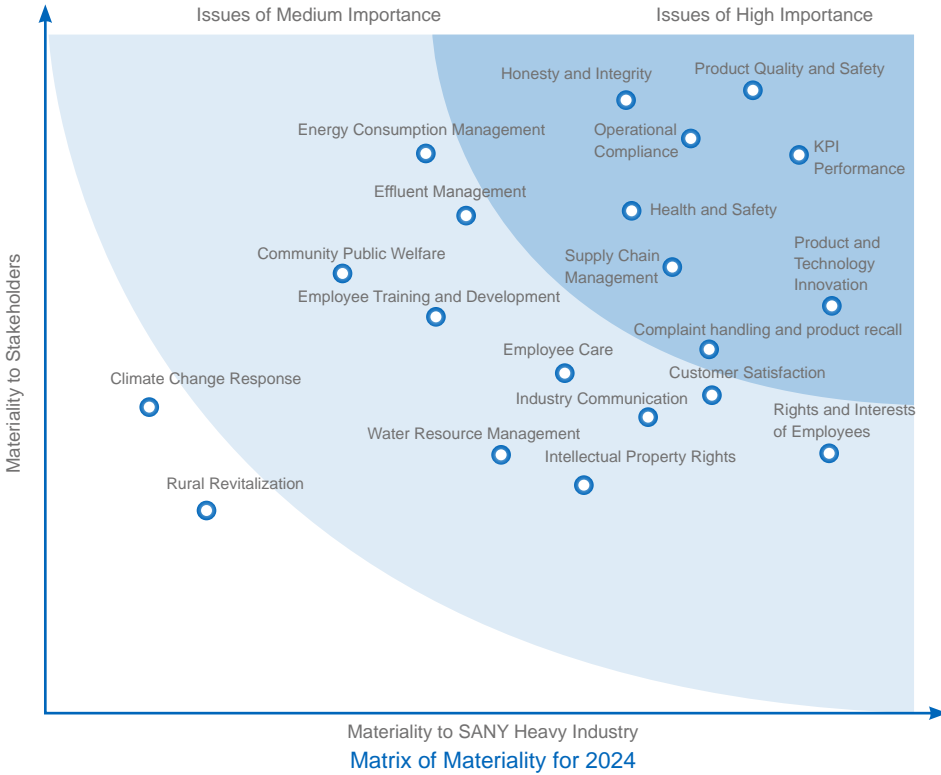
The Company places great importance on stakeholder expectations and concerns. It maintains active communication and responds to issues raised across the value chain through diversified channels.

Stakeholders	Key Concerns	Communication Channels & Feedback Methods
 Government Departments/Regulators	<ul style="list-style-type: none">Compliance operationsEmission managementIntegrity and anti-corruptionClimate change response	<ul style="list-style-type: none">On-site inspectionsMeetings and discussionsField investigations
 Shareholders	<ul style="list-style-type: none">Business performanceESG managementCompliance operations	<ul style="list-style-type: none">General Meetings of ShareholdersField investigationsRoadshows
 Investors	<ul style="list-style-type: none">Corporate governanceProduct quality and safetyIndustry engagementTechnology and innovation	<ul style="list-style-type: none">Corporate announcementsInvestor meetingsRoadshowsConference calls
 Employees	<ul style="list-style-type: none">Employee rightsHealth and safetyCompensation and benefits	<ul style="list-style-type: none">Employee trainingUnion activitiesEmployee satisfaction surveys
 Suppliers	<ul style="list-style-type: none">Supply chain managementProduct quality and safetyIntegrity and anti-corruption	<ul style="list-style-type: none">On-site assessmentsQuality communicationSupplier training and supportGeneral meetings of suppliers

Stakeholders	Key Concerns	Communication Channels & Feedback Methods
 Customers	<ul style="list-style-type: none">Product quality and safetyClimate change responseIndustry engagementTechnology and innovation	<ul style="list-style-type: none">Market researchCustomer satisfaction surveysPress conferencesOnline and offline campaigns
 Communities, Public, and NGOs	<ul style="list-style-type: none">Community cultureCharity and poverty alleviationCommunity environment	<ul style="list-style-type: none">Community discussionsCommunity engagementOnline outreach
 Partners	<ul style="list-style-type: none">Industry engagementStable partnershipsIntegrity and anti-corruption	<ul style="list-style-type: none">Strategic cooperationExecutive-level exchanges
 Industry Peers	<ul style="list-style-type: none">Fair competitionIndustry engagement	<ul style="list-style-type: none">Industry forums and conferencesPartnership agreementsExchange visits

Materiality Analysis

To better address stakeholder expectations, the Company regularly identifies and evaluates material issues. These issues are considered highly relevant to both the Company and its stakeholders and are prioritized for disclosure and response in this Report. Based on the two dimensions of "Materiality to Stakeholders" and "Materiality to SANY Heavy Industry," we developed a materiality matrix to clarify key areas of responsibility.



Feature

Advancing Three Core Strategies to Foster High-Quality Development at SANY Heavy Industry

SANY Heavy Industry remains committed to innovation-driven development and firmly advances the three core strategies—globalization, digitalization, and decarbonization. These pillars have empowered the Company with robust momentum on the path toward high-quality transformation and upgrading. With a global vision, the Company has strategically established production bases and R&D centers worldwide. Backed by industry-leading digitalization technologies, the Company continues to accelerate our intelligent manufacturing and digital transformation journey. At the same time, SANY Heavy Industry actively embraces green and low-carbon development, dedicating efforts to the R&D and promotion of new energy equipment and low-carbon products, contributing new vitality to global sustainable development.

Globalization — Expanding Global Presence

SANY Heavy Industry has seized the opportunities brought by globalization, efficiently integrating premium global resources to establish a worldwide network of production bases, R&D centers, and marketing and services. This global network enables synergies across regions and enhances operational efficiency. With a global perspective, the Company continuously refines the organizational structure and enhances localization capabilities, laying a solid institutional foundation for delivering quality products and efficient services to customers around the world.

Globalization of Manufacturing

SANY Heavy Industry has been deepening the global footprint by establishing localized production bases in key competitive markets, precisely aligning with local market demands and offering customized products and services. Through localized production, the Company effectively mitigates market cycles and uncertainties, significantly shortens supply chain cycles, reduces costs, and improves efficiency, while ensuring compliance with local regulations and alignment with market preferences. Moreover, by efficiently allocating global resources, SANY Heavy Industry actively promotes local job creation and collaborative innovation, embedding itself deeply into local communities and contributing to coordinated economic and social development.



Lighthouse Factory in Indonesia Recognized for ESG Excellence

Indonesia presents a promising and dynamic market. SANY Heavy Industry has been deeply engaged in the Indonesian market and established the first overseas "Lighthouse Factory" in China's construction machinery industry. Located in Indonesia, the factory features full network connectivity and minimal on-site staffing, exemplifying Industry 4.0 principles of intelligent, flexible, and green manufacturing.

In September 2024, Forbes China released the "2024 China ESG 50 List" and a set of "ESG Inspiration Cases." SANY Heavy Industry's lighthouse factory in Indonesia was recognized for our outstanding ESG performance. This accolade reflects the Company's leadership in integrating digitalization and low-carbon manufacturing globally, providing a model of intelligent transformation for manufacturers worldwide.



African Heads of State Visit SANY Heavy Industry

In September 2024, H.E. Mr. Emmerson Mnangagwa, President of Zimbabwe, and H.E. Mr. Andry Rajoelina, President of Madagascar, visited SANY Heavy Industry to gain an in-depth understanding of the Company's progress in intelligent manufacturing and new energy technologies. These visits mark the growing cooperation between SANY Heavy Industry and the African partners in areas such as intelligent manufacturing, infrastructure development, and clean energy. The exchanges are expected to further contribute to Africa's industrialization and modernization efforts, demonstrating SANY's contribution to global development efforts.



SANY Heavy Industry Receives African Heads of State

Globalization of Operations

SANY Heavy Industry actively responds to market demands across the globe, dispatching specialized teams to the front lines of projects to resolve practical challenges on site. Tailoring the approach to the geographical characteristics and specific needs of each region, the Company fully leverages the human and material resources to provide comprehensive, end-to-end services, including consultation, planning, and implementation. These efforts continuously enhance SANY's international influence and accelerate the advancement of the globalization strategy. During the Reporting Period, we conducted over 250 overseas business training sessions.



SANY Heavy Industry Presents at INTERMAT Paris

In April 2024, SANY Heavy Industry participated in INTERMAT Paris, an international exhibition of machinery for the construction and materials industries. By showcasing the high-end equipment, the Company offered visitors and exhibitors a firsthand look at the R&D capabilities and product performance, thereby accelerating our efforts to expand into the global high-end market.



SANY Heavy Industry at INTERMAT Paris

Globalization of Products

SANY Heavy Industry conducts an in-depth analysis of diverse customer needs across different regions and customizes the equipment accordingly through targeted innovation and optimization. This approach has enabled the Company to successfully launch high-performance construction machinery products into the global market, completing the global layout of products. With outstanding product performance and reliable quality, SANY Heavy Industry has earned widespread recognition in international markets, effectively advancing and deepening our globalization strategy.



SANY Heavy Industry Launches SY215E Medium-Sized Electric Excavator in the Netherlands

In June 2024, SANY Heavy Industry held a product launch to unveil the SY215E medium-sized electric excavator. Specifically developed and customized for the Dutch market and customer needs, the SY215E marks the Company's first medium-sized electric excavator designed for the international market and received widespread acclaim from visitors.



SY215E Medium-Sized Electric Excavator Debuts in the Netherlands



SANY Heavy Industry Participates in the China-Africa Economic and Trade Expo

In May 2024, SANY Heavy Industry actively participated in the China-Africa Economic and Trade Expo (CAETE), presenting a variety of products including excavators, cranes, and loaders. The Company engaged in communication and interaction with visitors, showcasing our strong industry influence and product appeal. During the expo, we hosted 88 customer groups and secured product orders totaling approximately RMB 20 million.



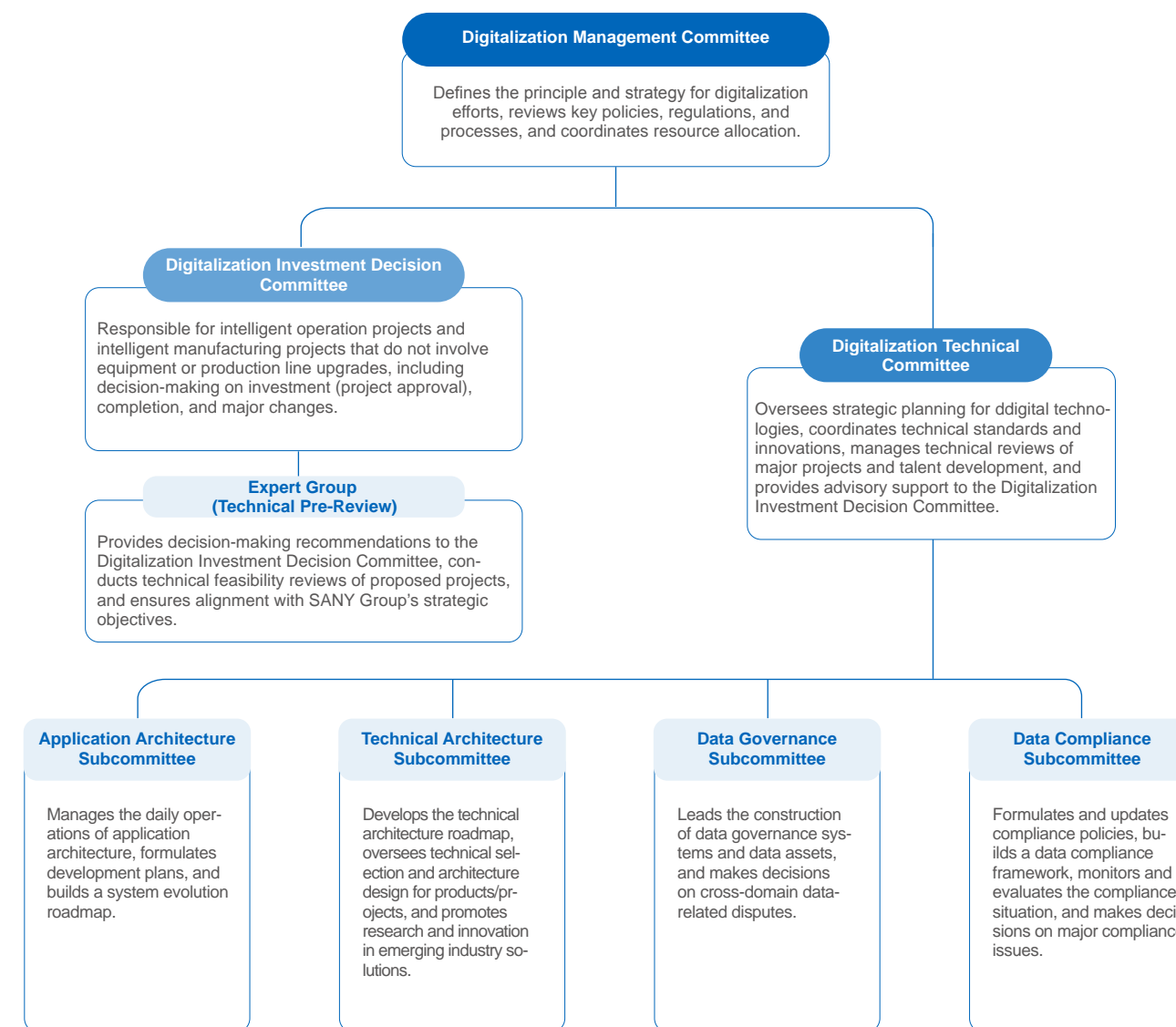
SANY Heavy Industry at CAETE

Digitalization – Facilitating "Dual Carbon" Goals

Guided by China's "Dual Carbon" goals, SANY Heavy Industry is committed to achieving our digitalization strategy of "shaping an intelligent enterprise." The Company has formulated a comprehensive digitalization blueprint¹, focusing on intelligent products, intelligent manufacturing, and intelligent operations.

In 2024, the Company optimized the digitalization governance system by establishing a Digitalization Technical Committee and a Project Management Subcommittee. A new structure was implemented under the leadership of the Digitalization Management Committee, which integrates expert technical reviews and investment decision support. This strengthened the execution of our digitalization strategy and technological innovation, enhancing both operational efficiency and market competitiveness.

SANY Heavy Industry's Digitalization Management System and Responsibilities



¹ Digitalization blueprint: A roadmap developed by SANY Heavy Industry to implement the digitalization strategy.

Building Lighthouse Factories

SANY Heavy Industry is actively advancing our lighthouse factory development by building highly automated and intelligent production systems powered by cutting-edge technologies such as 5G, the Industrial Internet of Things (IIoT), and Artificial Intelligence (AI). Through flexible automated production, digital twin systems, AI applications, and large-scale IIoT deployment, the Company achieves intelligent manufacturing and seamless data integration across operations. By the end of 2024, SANY Heavy Industry had completed the construction of **37** smart factories. Following the "Lighthouse Factory" standards, the Company has advanced the intelligent upgrading of these sites, achieving an average **80%** increase in production capacity and a **49.19%** reduction in production line costs, with continued global expansion underway.



Phase II Digital Transformation of the Indonesia Lighthouse Factory

In 2024, SANY Heavy Industry successfully completed the second phase of the Indonesia Lighthouse Factory project, with the goal of building a proprietary platform. The Company integrated ERP and CRM systems, established automated material delivery systems, digital twin and process simulation systems, as well as the Intelligent Manufacturing Operations Management System (iMOM), which enhanced production efficiency and precision, ensuring full visualization and real-time optimization of the production process. This project has elevated the intelligent manufacturing level of the Indonesian factory and represents a systematic export of intelligent manufacturing capabilities in the construction machinery sector, significantly strengthening the Company's global competitiveness.



Indonesia Lighthouse Factory Phase II Project



Changsha 5G Fully-Connected Factory

In 2024, the Changsha 5G Fully-Connected Factory of SANY Heavy Industry was included in the "2024 Directory of 5G Factories" released by the Ministry of Industry and Information Technology in China, becoming one of the leading digital and intelligent 5G factories in the industry. Leveraging 5G technology, the factory enables real-time interconnectivity, remote control, and intelligent maintenance of production equipment, improving both operational efficiency and quality control. This project not only optimized factory performance but also served as a model for intelligent manufacturing transformation across the industry.



Changsha 5G Fully-Connected Factory

Upgrading Digital System

Digital technology serves as a core driver of industrial transformation and upgrading. SANY Heavy Industry has built a comprehensive digital system centered on intelligent manufacturing, incorporating core platforms such as the Intelligent Manufacturing Operations Management Platform (iMOM), the Intelligent Warehouse Management System (iWMS), and the Intelligent Advanced Planning and Scheduling System (iAPS), while optimizing production processes with digital twin technologies. The Company promotes digital applications globally to improve production efficiency and resource allocation. Through digital technologies, production workflows and data processing capabilities have been improved, enabling dynamic coordination and precise control throughout operations.

In 2024, SANY Heavy Industry carried out development, upgrades, and ongoing operation of digital products across R&D, supply chain, HR, finance, sales, and service functions. Test platforms and knowledge bases were established, and user interfaces were optimized.



During the reporting period,
SANY Heavy Industry

developed digital platforms **39**

upgraded products **51**

and continuously
operated products **32**

SANY Heavy Industry's Key Digital System Updates in 2024



Intelligent Manufacturing Operations Management Platform (iMOM)

- This platform supports end-to-end management of production modeling, execution, logistics, quality control, and other manufacturing functions. New features such as process discipline and rust-proof transfer were introduced. System performance was optimized, with **58** globalized functions developed and adapted to improve workflow and operational efficiency.
- As of the reporting period, the coverage rate of iMOM achieved **62%**.



Intelligent Warehouse Management System (iWMS)

- **5** new functional modules were added, including sporadic material requisition², weighbridge, barcode scanning, on-site receiving, and direct shipment to construction sites, improving logistics flexibility and accuracy.
- An Elasticsearch (ES) cluster³ was deployed to improve processing performance, enable database and table partitioning, and simplify operations.
- Barcode tracking was implemented for inbound and outbound logistics alongside standardized "one box, one code" packaging, reaching **100%** application on parts.
- As of the reporting period, the domestic coverage rate of iWMS achieved **72.9%** and the overseas coverage rate was **100%**.

² Sporadic material requisition: The requisition of unplanned, small-batch, or temporary materials in warehouse management. This includes requests from general cost centers within the factory, line-side warehouse requisitions, cross-company requisitions, and non-production oil requisitions.

³ Elasticsearch (ES) Cluster: A distributed, real-time search and analytics engine that uses Lucene internally for indexing and searching.

Intelligent Advanced Planning and Scheduling System (iAPS)

- The system utilizes algorithms to achieve highly efficient unmanned production. **23** new functions were added, including inventory-to-sales ratio monitoring⁴, demand tracing, and structural parts production scheduling optimization, enabling resource coordination across multiple scenarios and dynamic planning under multidimensional control models.
- As of the reporting period, iAPS had been adopted by **16** factories, reaching **82%** coverage.

Integrated Manufacturing Business

- This platform integrates manufacturing business processes to provide unified data management and automated control. A PDCA⁵ cycle was implemented, covering orders, costs, and inventory.
- During the reporting period, the Company exceeded the improvement targets: the on-time delivery rate of main machines reached **100%** (target: 99%), the obsolete inventory value⁶ decreased by RMB **2.28** million (target: RMB 1.7 million), and the auxiliary material cost rate dropped by **12.3%** (target: 1%).

Overseas Digital Project Upgrade

In 2024, SANY Heavy Industry made significant progress in overseas digital projects, particularly in customer service. Two new customer-facing products were launched: the Intelligent Spare Parts Planning platform (iSPP⁷) and the Customer Relationship Management (CRM) system. Five existing products were upgraded and three continued to be operated and maintained.

Easy Findability <ul style="list-style-type: none"> Able to locate customers Able to locate equipment 	Global Customer Touchpoints	Provide 5 major channels for clients MySANY, WhatsApp, hotline, official website, and email
Fast Response <ul style="list-style-type: none"> Data cleansing for service personnel, vehicles, and outlets Online service process from application to completion 		
Rapid Delivery <ul style="list-style-type: none"> Online delivery tracking for parts orders Online green channel for urgent orders 	Online Service and Parts Workflow	Multi-party online collaboration
Traceable Parts <ul style="list-style-type: none"> Parts warehouses iWMS roll-out 		
Accurate Forecasting <ul style="list-style-type: none"> Online physical parts Online parts lookup 	Parts Lookup System	Global warehousing and logistics
Accurate Forecasting <ul style="list-style-type: none"> Data governance for catalogues and four product model lists Definition of parts lifespan Forecasting of customer demand and warehouse restocking needs for parts Optimal warehouse recommendation for parts orders 		
Parts Planning and Model Management		
Where to store, what to store, and how many to store		

Collaboration Across 20+ Systems → Service and Parts Platform

Overseas Digital Project Upgrade

⁴ The ratio of average or ending inventory within a given period to total sales during the same period. This metric reflects the current inventory status in relative terms (e.g. quantity/value).

⁵ PDCA: Plan-Do-Check-Act cycle, a management method used for continuous improvement of workflows and product quality.

⁶ Obsolete inventory value: The value of idle work-in-process inventory.

⁷ iSPP: Intelligent Spare Parts Planning Platform, offering functions such as demand forecasting, inventory strategy setting, replenishment suggestions, ABC classification configuration, and data query.

Establishing New Industrial Internet of Things

As an active practitioner of the new industrial development model driven by the industrial Internet of Things technology, SANY Heavy Industry has been advancing the transformation toward intelligent manufacturing through our independently developed Industrial Internet of Things (IIoT) platform. This platform seamlessly connects machines, equipment, systems, and personnel, covering the full production lifecycle including planning, warehousing and logistics, and device interconnectivity. It enables autonomous control and significantly enhances production collaboration and data management capabilities. By unifying foundational data collection standards, the platform has successfully replaced **28** third-party data acquisition systems, resulting in significant cost savings in production operations.

In 2024, SANY Heavy Industry deepened both internal and external construction of the IIoT platform. Issues were promptly identified and addressed through targeted optimization measures, ensuring the platform's efficient and stable operation.

External Connectivity

The Company expanded the "New C-end" layout by unifying client-side protocols and toolchains across business units, reducing storage and computing costs on the client side. By the end of the reporting period, **1.05** million main machines had been successfully connected to the platform, achieving a cumulative cost reduction of RMB **15** million.

Internal Integration

The Company accelerated the replacement of legacy systems with our own IIoT platform, achieving real-time connectivity for **19,000** devices, **33,000** instruments, and over **61,000** surveillance cameras. This measure supports systems for smart security, work-hour quota management, auxiliary material consumption tracking, energy usage control, and equipment efficiency improvement.

Global Deployment of IIoT Sites

In August 2024, to support the global business expansion, SANY Heavy Industry successfully established IIoT sites in Singapore, Frankfurt, and Cape Town. With strengthened compliance throughout the data processing chain and a **30%** increase in data development efficiency, this initiative provides strong support for the rapid growth of the Company's international business.

Regional IIoT Site Deployment



Transforming Processes and Utilizing Industrial Software

SANY Heavy Industry has advanced closed-loop management and improved operational efficiency by transforming the processes to become standardized, networked, automated, and intelligent. In 2024, the Company developed a process management platform, event tracking platform, data platform, and mobile development platform. A total of **934** process workflows were launched, covering **12** core functions, including R&D, supply chain, production, sales, service, HR, and finance, thereby optimizing the overall business operations management system.



Data Platform Development

In 2024, SANY Heavy Industry actively promoted digital transformation and successfully completed the development and optimization of the data platform. By upgrading the digital infrastructure, the Company significantly enhanced the capabilities in data processing and analysis.

- The optimized platform architecture enabled more efficient resource utilization and multi-stakeholder resource sharing, while improving task execution and development efficiency.
- The introduction of layered data management further optimized data storage and management processes.

This initiative not only strengthened the Company's overall data governance capabilities but also laid a solid foundation for continued digital and intelligent transformation, accelerating our progress in digitalization.

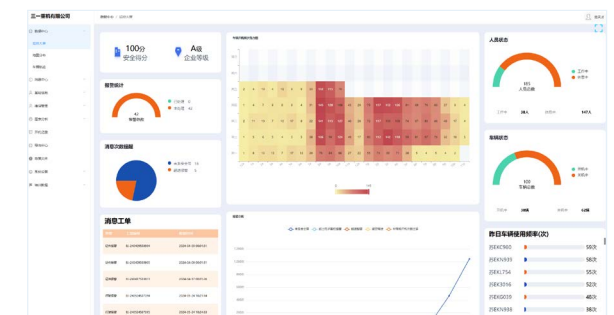
Promoting Intelligent Products and Technologies

SANY Heavy Industry capitalizes on the global shift toward intelligent technologies by continuously driving innovation under the digitalization strategy. The Company remains committed to developing intelligent products and services. By integrating technologies such as intelligent connected vehicles, intelligent factories, automated production lines, and big data analysis, the Company has established a fully digitalized production system that spans the entire lifecycle from R&D and design to manufacturing and operation & maintenance, thereby improving production efficiency and product quality. In 2024, the Company developed an intelligent forklift system and launched a new generation of intelligent construction machinery, including remotely controlled excavators. These innovations significantly enhanced operational safety and efficiency, representing major progress in the intelligent transformation of the construction machinery sector.



Intelligent Forklift System by SANY Heavy Industry

In 2024, SANY Heavy Industry officially rolled out the intelligent forklift system. Powered by IoT technology, the system supports intelligent management and platform-based operations for forklifts. It supports the effective implementation of routine inspections and daily safety checks, prevents unauthorized operation and overspeed violations, and reduces safety risks, ensuring regulatory compliance and safety in the use of special equipment. Additionally, by collecting and analyzing usage data, the system optimizes equipment scheduling and operational workflows, enhancing efficiency while supporting energy conservation, emissions reduction, and cost control.



Intelligent Forklift System

Decarbonization – Seizing Clean Energy Opportunities

SANY Heavy Industry is tapping into the global momentum for green and low-carbon transformation by actively expanding the presence in the pure electric, hybrid, and hydrogen fuel sectors. The Company is accelerating the electrification of the core equipment, including construction vehicles, excavators, loaders, and cranes, while continually exploring clean energy generation and utilization to deliver high-quality, low-energy, and user-friendly products.

In 2024, sales of SANY Heavy Industry's new energy products reached RMB **4.025** billion. Looking ahead, the Company will continue to invest in clean technology R&D, upgrade production facilities, and expand into new markets. These efforts aim to broaden the clean energy product portfolio and provide more efficient energy utilization solutions. By leveraging new quality productive forces, we will continue to support green transformation while delivering greater value to our customers.

Electric and Hybrid Technology

SANY Heavy Industry is accelerating electrification across main machine products, core components, and energy replenishment systems, covering excavators, loaders, pump trucks, mixers, and cranes. In 2024, the Company made notable progress across the core electric value chain, developing over **10** products including electric drive units, drive motors, and integrated electric axles. Building on hybrid technologies, it deepened R&D in pure electric drives, broadened the vehicle control unit (VCU) application, and launched multiple new electric models. The Company's electrification technology is evolving toward higher integration, efficiency, and cost-effectiveness, laying a solid foundation for intelligent transformation. Future efforts will focus on breakthroughs in battery, motor, and electronic control systems.

Over **40** electric models were launched in 2024, with total sales exceeding **6,200** units. Electric excavators, mixers, pump trucks, and cranes ranked among the industry's best-sellers.

R&D Highlights in Low-Carbon Technologies



Zero-Emission Technology

- Launched the SY215E, a 21-ton medium-sized electric excavator equipped with independently developed core components and a proprietary Vehicle Control Unit (VCU), achieving **100%** domestic sourcing of parts. As the first excavator in the industry to integrate dual-variable control, electric slewing, and integrated thermal management technologies, it consumes **10%** less energy than comparable models.



Pollution Control Technology

- Developed a transparent polyurea coating that extends chassis salt-spray resistance by **120** hours and reduces carbon emissions by **63.96** kg per unit of product.
- Promoted low-temperature curing powder coating for steel pipelines, which replaces the traditional phosphating process with silane pretreatment, cutting energy use by **30%** and carbon emissions by **151.6** kg per unit of product.
- Deployed intelligent start-stop controls for high-energy-consuming equipment to reduce idle time and emissions.



Hybrid Technology

- Developed the Micro-Hybrid 3.0 platform for pump trucks with integrated chassis electric air conditioning and control systems, cutting energy consumption by **76%**.
- Introduced a Hybrid Control Unit (HCU) for cranes, achieving up to **48%** fuel savings, an industry-leading figure.



Clean Vehicle Technology

- Launched a new generation of forward-engineered intelligent chassis. The redesigned chassis is tailored to meet the performance requirements of specific vehicle models, while providing flexibility for future upgrades and scalability.



01

Optimizing Operations to Shape First-Class Governance

SANY Heavy Industry upholds integrity across all business activities, strictly adheres to ethical standards, and continually enhances the risk management and internal control capabilities. The Company is committed to establishing a first-class governance system rooted in business ethics and compliant operations, providing a strong foundation for sustainable and high-quality development.



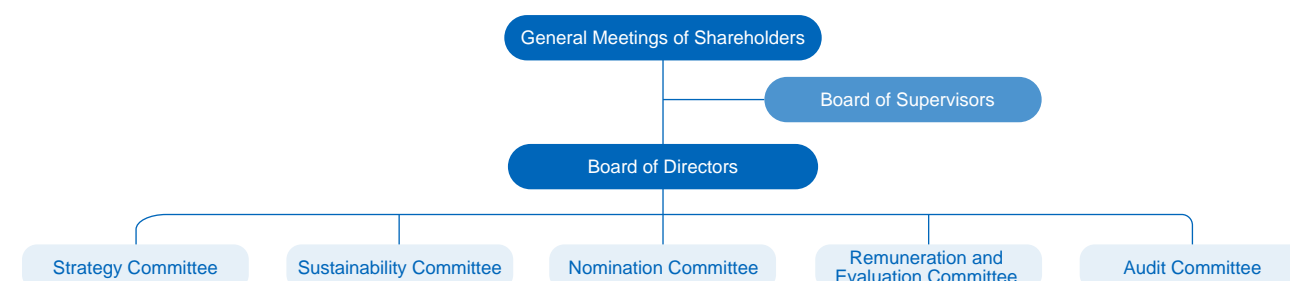
Corporate Governance

SANY Heavy Industry regards a robust corporate governance framework as essential to stable operations and long-term growth. The Company strictly complies with the *Company Law of the People's Republic of China*, the *Securities Law of the People's Republic of China*, the *Code of Corporate Governance for Listed Companies*, the *Rules Governing the Listing of Stocks on Shanghai Stock Exchange*, and other applicable laws, regulations, and listing requirements. We continually refine our governance structure to ensure that the functions and responsibilities of the General Meeting of Shareholders, the Board of Directors, and the Board of Supervisors are effectively executed. We fulfill our information disclosure obligations in accordance with the law, ensure regulatory compliance of disclosures, and strive to build a modern corporate governance system that is scientific, standardized, well-balanced, and highly efficient.

The Board of Directors has established several specialized committees, including the Strategy Committee, Audit Committee, and Nomination Committee. In 2024, to further promote high-quality, sustainable development and strengthen ESG governance, the Board established a Sustainability Committee and formulated the *Detailed Working Rules for the Sustainability Committee*.

The Company attaches great importance to the independence and diversity of the Board, taking into account the industry experience, educational background, competencies, and gender of directors to ensure effective decision-making. Our directors possess deep expertise in legal affairs, finance, auditing, and corporate management, providing comprehensive and professional support for the Company's strategic planning and operational decisions. Independent directors are an integral part of our governance system, playing a key role in balancing the interests of shareholders and other stakeholders, and contributing to the long-term sustainable development of the Company. As of 2024, the Board of Directors consisted of **9** members, including **3** independent directors and **1** female director.

Corporate Governance Structure



Management Structure and Core Responsibilities

The Board of Directors	The Board is responsible for the General Meeting of Shareholders. It examines important matters regarding the Company's operating activities and submits the decisions to the General Meeting of Shareholders for review.
The Board of Supervisors	The Board of Supervisors oversees the Board members and senior executives, as well as the Company's finance.
Senior Executives	Senior executives are guided by the Board of Directors and take charge of the Company's daily operations and management.

To safeguard the legitimate rights and interests of the Company and all shareholders, especially minority shareholders, SANY Heavy Industry strictly complies with applicable laws and regulations, the *Articles of Association*, and the working rules for each specialized committee in organizing General Meetings of Shareholders, meetings of the Board of Directors, and meetings of the Board of Supervisors. All procedures for convening, holding, and voting at such meetings are fully compliant with regulatory requirements.



In 2024, SANY Heavy Industry convened **1** Annual General Meetings of Shareholders and **3** Extraordinary General Meetings, **7** meetings of the Board of Directors, and **6** meetings of the Board of Supervisors, all with **100%** attendance.

Risk Control

SANY Heavy Industry has established a sound and effective risk management and internal control system aligned with the operational and managerial realities, providing systematic safeguards for achieving the strategic objectives. The Company has formulated a series of internal regulations, including the *Judgment Guide for Problems, Defects and Risks*, the *Operation Guide on Internal Control Evaluation*, the *Audit and Supervision Quality Manual*, the *Audit and Supervision Management System*, the *Audit and Supervision Plan Management Process*, and the *Audit and Supervision Rectification Tracking Management Process*. These regulations continuously strengthen the Company's risk prevention capabilities and operational excellence, ensuring safe and sustainable development.


Risk Management

The Company has built a four-line risk defense system involving business divisions, functional headquarters, the Audit and Supervision Headquarters, and the Audit Committee. Risk management requirements are embedded into corporate management and operational processes, with responsibilities assigned according to job functions. Each level has clearly defined areas of focus. As a specialized body under the Board of Directors, the Audit Committee is responsible for overseeing the Company's overall operational risks and reporting regularly to the Board, forming a robust and comprehensive risk control framework.

Four Defenses for Risk Management System



In 2024, the Company enhanced the digital risk management by advancing the construction of the SANY Intelligent Audit Platform. The platform effectively supports risk identification, analysis, and assessment, covering functions such as risk early warning, data analysis, project operations, internal control assessment, and compliance monitoring. It focuses on four key business areas, including marketing, commerce, finance, and capital management, enabling risk modeling and full-process risk warning. The platform also generates risk profiles for suppliers, employees, agents, and other relevant entities, further advancing the Company's digital and intelligent risk control capabilities.



By the end of the Reporting Period, the Early Warning Center had issued **4,568** early warning alerts, conducted **3,754** verifications, identified **1,040** valuable clues, and generated RMB **51.97** million in economic benefits.

To foster a strong risk management culture and raise awareness among employees, the Company requires the risk control departments to host monthly meetings and irregularly organize targeted training sessions as needed. During the Reporting Period, the Company conducted **29** risk control training sessions for **1,944** cumulative participants, significantly enhancing employee awareness and capabilities in risk prevention.

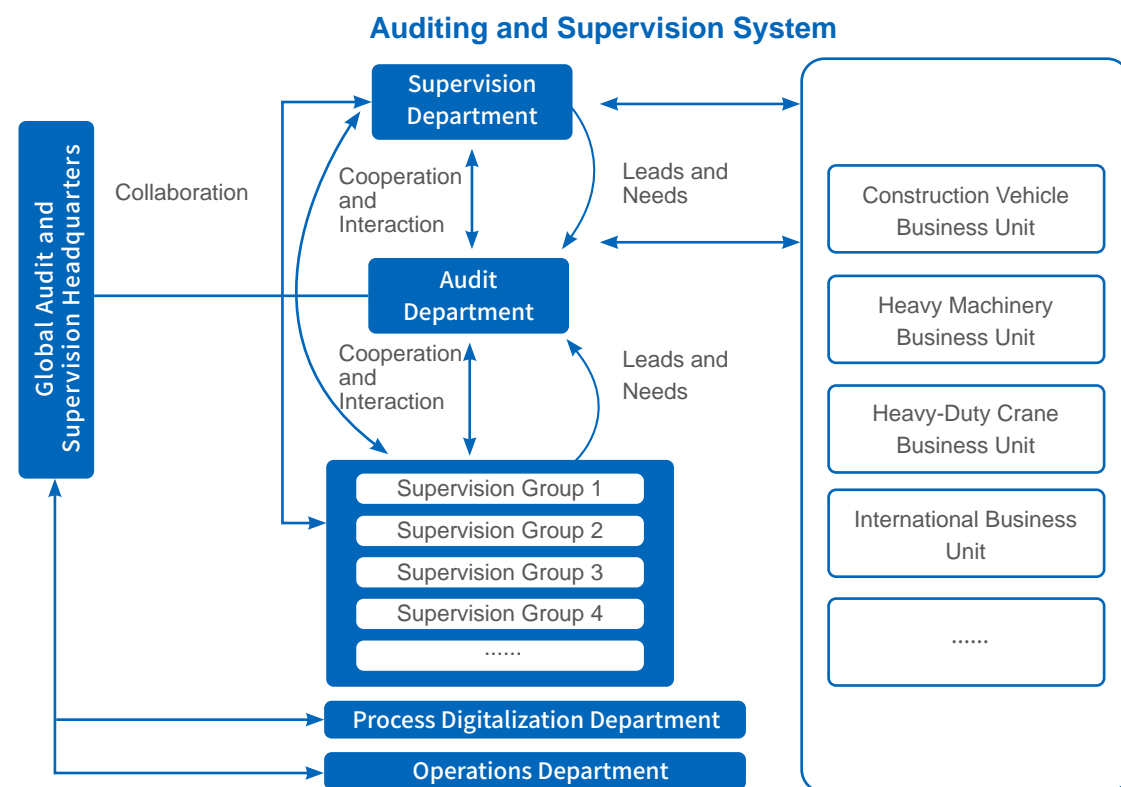
SANY Heavy Industry Conducts Risk Control Training

During the 2024 Spring Festival period, risk control departments across SANY Heavy Industry's business units organized dedicated training sessions covering key topics such as risk identification and management, use of the internal control evaluation system, risk mitigation strategies, and prevention of misconduct. Combining online and offline formats, the training enabled employees to gain practical risk management skills and strengthened risk awareness across the Company.

SANY Heavy Industry Risk Control Training

Internal Control and Compliance

SANY Heavy Industry fully leverages the synergy between internal control and compliance management, continuously strengthening the internal audit framework and refining the auditing and supervision system led by the Global Auditing and Supervision Headquarters. The Supervision Department and the Audit Department work together to carry out compliance audits, driving the Company's internal control toward systematic, compliant, and intelligent development.



Auditing and Supervision System Assignment of Responsibility

Department	Functions
Auditing and Supervision Headquarters	<ul style="list-style-type: none"> Developing supervision and evaluation systems for internal control and risk management procedures Inspecting and assessing the security, appropriateness, and effectiveness of internal control and risk management across departments Monitoring and reporting major operational irregularities
Supervision Department	<ul style="list-style-type: none"> Investigating major fraud cases and building anti-fraud systems
Audit Department	<ul style="list-style-type: none"> Organizing the development and maintenance of risk databases across departments Promoting self-assessments in all systems and organizing risk re-assessments
Process Digitalization Department	<ul style="list-style-type: none"> Transforming audit and supervision processes to become standardized, networked, automated, and intelligent Building and maintaining the audit and supervision platform, and managing data governance and application Responsible for performance evaluations and quality audits
Supervision Teams	<ul style="list-style-type: none"> Independently examining, verifying, assessing and reporting on the effectiveness and suitability of internal control and risk management procedures of the operators within our scope of supervision

The Company continues to enhance the "1+8+N"⁸ internal control management framework. Based on the *Audit and Supervision Management System*, we monitor the core business processes of subsidiaries, investigate key leads and issues, integrate risk control into performance assessments, and impose penalties as per the *Accountability Management System*.

In alignment with the "Globalization" strategy, the Company complies with legal and regulatory requirements across countries and regions. Adhering to the "Six No- Negotiable Principles" for quality issues, we developed the *Audit Findings and Rectification Acceptance Guide*, standardizing audit and supervision practices and introducing agile and phased rectification for the first time. Furthermore, guided by the "Digitalization" strategy, we have optimized audit and supervision project management processes, progressing toward a "platform + model + data" framework. The IA system went live, enabling automatic calculation of individual metrics and boosting process efficiency and effectiveness.

In 2024, the Company regularly conducted internal control assessments and compliance training across departments at headquarters and subsidiaries, with a focus on business functions such as commerce, finance, and marketing. We implemented both self- and re-assessments, with **177** self-assessment tasks and **61** re-assessment tasks created, covering **8,965** control points including business ethics. Deficiencies were promptly reviewed and addressed to maintain a robust internal control system.

SANY Heavy Industry Compliance Training

In 2024, SANY organized dedicated compliance training for management and key personnel to foster a strong compliance culture. Delivered via in-person sessions, the training covered the value-based marketing system, marketing risk control strategies, and key inspection cases, emphasizing the importance of marketing compliance to long-term stability. The training targeted marketing directors, credit directors, heads of marketing management, and key credit staff, with a total of **92** participants. It received a satisfaction rate of **97.4%**, with an average exam score of **89.8** and a pass rate of **96.4%**, significantly enhancing the Company's overall compliance management capabilities.

⁸ "1+8+N" refers to a risk management framework consisting of 1 overarching guideline that defines the organizational structure, role responsibilities, and accountability mechanisms. Based on this foundation, 8 executable process systems are established, covering risk assessment and management, control activities and procedures, information and communication, supervision and evaluation, continuous improvement, and internal control and compliance talent development. These are further supported by the continuous refinement and optimization of N specific execution standards, procedures, measures, and plans tailored to actual business needs.

Business Ethics

SANY Heavy Industry adheres to the principles of compliance operations, continuously strengthens the anti-corruption system, and enhances the management of business ethics. The Company advances the anti-money laundering initiatives and fosters a culture of integrity. SANY firmly opposes all unethical behaviors, including corruption, bribery, fraud, and unfair competition. We hold our business partners to equally high standards, aiming to cultivate a transparent, well-governed corporate atmosphere and build a sustainable business ecosystem.

Integrity Management

SANY Heavy Industry strictly complies with relevant laws and regulations, such as the *Criminal Law of the People's Republic of China*, the *Anti-Unfair Competition Law of the People's Republic of China*, and the *Interim Provisions on Prohibiting Commercial Bribery*. The Company also fully enforces internal policies such as the *Conflict of Interest and Integrity Management System*, the *Blacklist Sharing Management Procedure*, and the *Business Personnel Behavior Management Regulations*. In 2024, the Company introduced the *Code of Ethics and Business Conduct for Employees*, which provides comprehensive guidance on corporate values, compliance operations, asset protection, environmental and social responsibilities, and channels for compliance inquiries and whistleblowing. It helps employees identify and avoid potential violations of ethical standards, laws, and internal rules in both business activities and daily operations.

To ensure effective implementation of the business ethics framework, SANY Heavy Industry has established a clear anti-corruption supervision structure. The Board of Directors oversees and evaluates integrity management performance. The Audit Committee, as the dedicated supervisory body, regularly reports on anti-corruption audits and investigations to the Chairman. The Audit and Supervision Headquarters issues the *Monthly Audit and Supervision Briefing* every month to support management's decision-making in integrity governance.



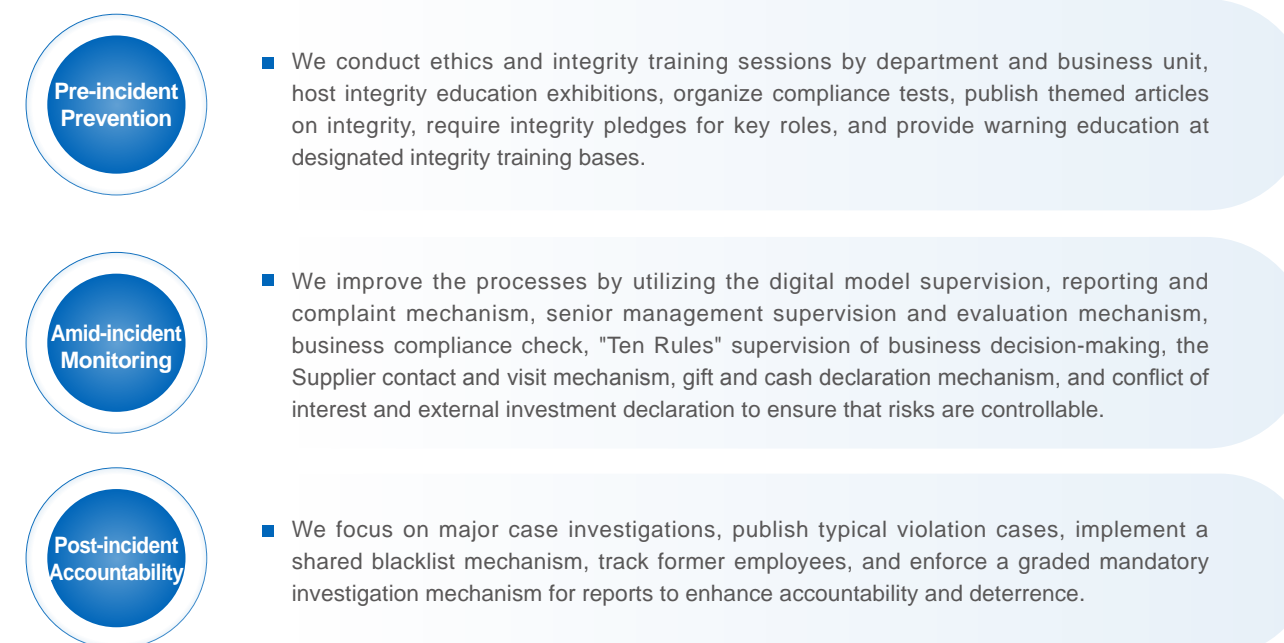
In 2024, all directors, personnel in key positions, commercial staff, and mid-level managers in the Manufacturing Department were required to sign the *Integrity and Anti-Corruption Commitment Letter*, with a **100%** signing rate covering **3,475** individuals

Integrity Management Structure and Responsibilities

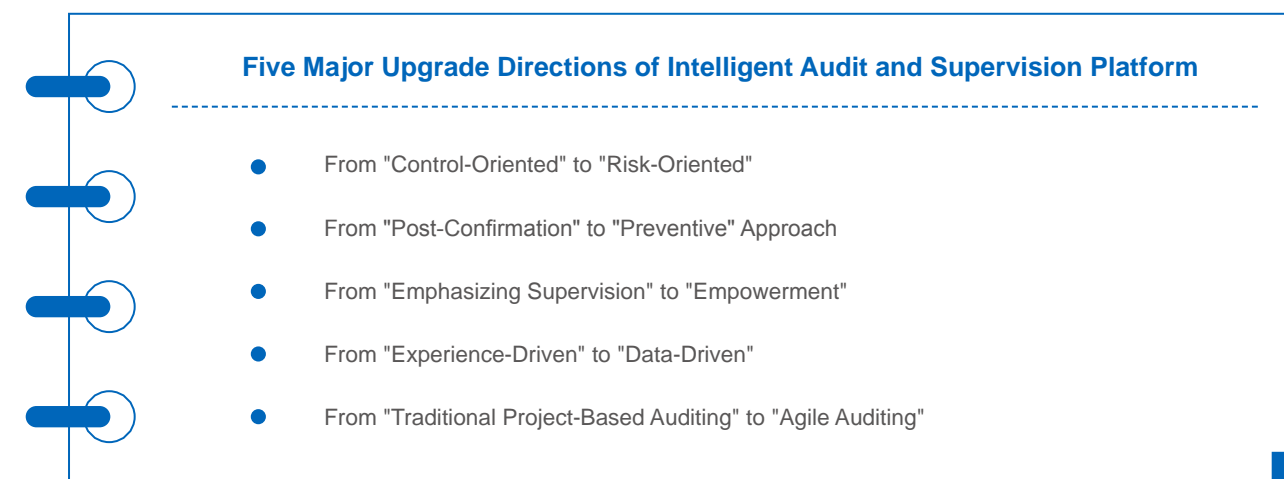


SANY Heavy Industry conducts anti-corruption and business ethics audits annually, covering pre-incident prevention, amid-incident monitoring, and post-incident accountability, to ensure comprehensive implementation of integrity management and corruption risk control. In 2024, the Company conducted anti-corruption audits at both the headquarters and subsidiaries, achieving **100%** coverage. We enforce a zero-tolerance policy toward violations of integrity, strictly prohibiting any breach of ethical standards. Employees found to have violated integrity rules are subject to disciplinary actions, including dismissal and other accountability measures, depending on the severity of the case. During the Reporting Period, the Company investigated **19** corruption cases, holding **452** individuals accountable and dismissing **38** employees. For serious misconduct suspected to constitute criminal activity, the Company pursued legal action. A total of **11** economic crime cases were prosecuted, resulting in **20** criminal detentions, **11** arrests, and **11** convictions, helping the Company recover over RMB **40** million in direct financial losses.

Anti-Corruption Measures



The Company continues to strengthen the intelligent audit and supervision system, upgrading the platform from five directions and assigning digital specialists to lead online audit and supervision. The Fraud Risk Early Warning Center focuses on identifying, flagging, and monitoring fraud risks in core business areas and among key personnel. Meanwhile, an AI-powered early warning feature enables intelligent screening of contracts, helping detect potential risks with greater speed and accuracy. This significantly improves the effectiveness and efficiency of the Company's audit and review efforts.



Supplier Integrity

SANY Heavy Industry places strong emphasis on identifying and managing business ethics risks in procurement and management activities involving partners and related parties across the global supply chain. The Company has established internal policies such as the *Supplier Management System*, the *Procurement Framework Agreement*, and the *Supplier Contact and Visit Management Rules* to ensure compliance with local regulations and standards across all stages of the supply chain. These frameworks help guide supplier conduct and foster an honest supply chain.

To promote integrity across the supplier network, the Company conducts regular supplier integrity education, requires the signing of integrity cooperation agreements and commitment letters, and issues holiday integrity advocacy notices. For internal procurement teams, targeted anti-corruption briefings are held to reinforce expectations. Employees are strictly prohibited from accepting any form of gifts, cash, gift vouchers or entertainment from suppliers. Any violation is promptly addressed, and relevant suppliers are notified of the disciplinary outcomes.

In 2024, the signing rate of supplier integrity cooperation agreements and commitment letters reached **100%**

Supplier Integrity Management Rules

Supplier Management System

- Stipulates access requirements of dishonest operations

Procurement Framework Agreement

- Requires suppliers and distributors to sign integrity cooperation agreements
- Fills in the *Conflict of Interest and External Investment Declaration Form* on the procurement system

Supplier Contact/Visit Management Rules

- Builds a real-time feedback mechanism through the reporting hotline, WeChat platform and follow-up visit
- Announces infractions of rules and regulations in real time
- Publicizes the Company's policy on honesty and integrity
- Investigates and confirms a supplier's suspected breach of contract

Whistleblowing

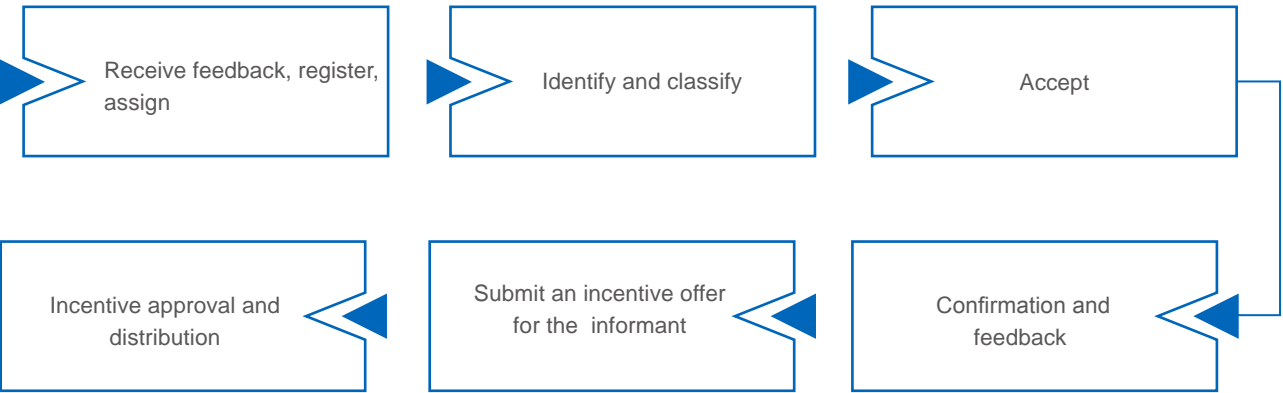
SANY Heavy Industry, in accordance with national disciplinary authority guidelines, has developed internal regulations such as the *Whistleblowing and Complaint Management System* and the *Whistleblowing Management Process* to standardize case handling. The Company offers multiple reporting channels and *assigns dedicated personnel to manage reports*. Reports can be submitted via the internal Intelligent Supervision Platform, or through email, Lark, WeChat, QQ, telephone, in-person reception, etc.. Submitted materials are promptly compiled and reviewed. Clues are documented in a dedicated registry and regularly analyzed for resolution and follow-up. In 2024, a new reporting channel was added to the Company's official website to further promote awareness and enhance the accessibility of the whistleblowing mechanism.

SANY Heavy Industry Whistleblowing Channels

Email	jiancha@sany.com.cn	Lark	Workbench / Integrity SANY
WeChat	Integrity SANY Official Account/ Chairman's Mailbox	QQ	2592689550
Telephone	0731- 84031222, 85835000		
Reception Room	Room 306, Complex Building of Changsha Industrial Park/Audit & Supervision Office		
Mail	Audit & Supervision Headquarters, SANY Industrial Park, Xingsha Economic & Technological Development District, Changsha City, Hunan Province, China 410100		

The Company strictly follows the internal regulations to protect whistleblowers. According to the *Whistleblowing and Complaint Management System*, disclosing a whistleblower's identity or report content without their consent is strictly prohibited. A recusal mechanism is enforced throughout the information processing and investigation procedures. Any unauthorized access to, or leakage of, whistleblowing-related information will result in accountability measures in line with internal policies. SANY Heavy Industry prohibits any form of discrimination, retaliation, or threats against whistleblowers. One-on-one protection measures are provided, and when necessary, the Company cooperates with judicial authorities to hold violators legally accountable, ensuring full protection of whistleblower rights and confidentiality of reporting channels.

SANY Heavy Industry Whistleblowing Process



Anti-Corruption Training

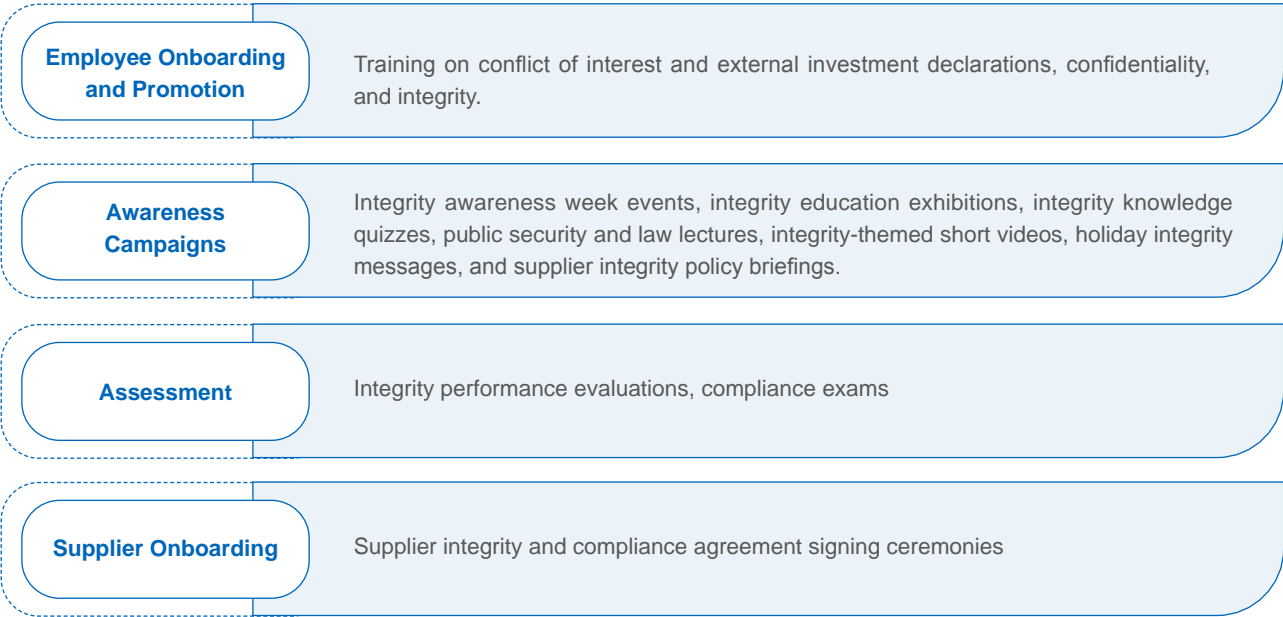
SANY Heavy Industry places great importance on strengthening employees' awareness of anti-corruption and actively promotes a culture of integrity through diverse approaches. Integrity management is embedded across all aspects of the Company's operations and governance. The Company provides conflict of interest declaration training for board members and requires all employees to uphold the integrity principles of "comprehensive risk coverage, proactive disclosure, conflict recusal, and zero tolerance", ensuring declarations are both timely and comprehensive. During key holiday periods with a heightened risk of misconduct, the Company reinforces promotion through integrity-themed posters. Regular warning education sessions are conducted, including briefings on major fraud cases.

Internal integrity training is conducted across multiple dimensions, including promotions to key positions, new employee onboarding, and across business units and departments. Third-party professional agencies are also invited to deliver ethics seminars for senior management. In 2024, the Company organized 21 business-specific training sessions, reaching 3,000 participants.



Integrity Initiative for Spring Festival

Integrity Education Approaches



Government-Led Business Ethics Seminar

In 2024, SANY Heavy Industry invited officials from public security, procuratorate, and judicial authorities to deliver a business ethics seminar for Company management. The session emphasized the importance of business ethics, the prevention of legal disputes and risks, and the need to strengthen leadership's awareness of compliance, ensuring compliant operations.

Anti-Unfair Competition

To uphold a fair and competitive market environment, SANY Heavy Industry has developed internal regulations on anti-unfair competition, clearly defining the standards for identifying misconduct. The Company has established comprehensive mechanisms for training, monitoring, evaluation, and punishment. Employees are required to adhere to the principle of truthfulness and are prohibited from misleading exaggeration, malicious defamation, fabrication, or the spread of harmful information about others. The Company firmly opposes all forms of unfair competition and is committed to fostering a civil and orderly competitive landscape within the industry.

In 2024, SANY Heavy Industry strengthened the oversight and penalties for unfair competition. A total of 10 cases involving embezzlement and commercial bribery were investigated, with 12 individuals held criminally accountable. These efforts helped recover losses of over RMB 30 million and effectively safeguarded the interests of the Company and its stakeholders.

Anti-Unfair Competition Management Measures



Anti-Money Laundering

SANY Heavy Industry places great importance on anti-money laundering efforts and strictly complies with the *Anti-Money Laundering Law of the People's Republic of China* and other applicable national regulations. The Company has established and continuously refined a comprehensive set of anti-money laundering policies, including the *Anti-Money Laundering Internal Control System*, the *Anti-Money Laundering Evaluation Measures*, the *Risk Assessment and Management Measures for Money Laundering in Financial Products*, the *Anti-Money Laundering Self-Evaluation System*, and the *Management Rules for Reporting Large Transactions and Suspicious Transactions*.

The Company has built a robust anti-money laundering system. Powered by advanced technologies, the system provides end-to-end coverage of key scenarios including customer identification, money laundering risk rating, targeted monitoring and reporting of suspicious transactions, real-time blacklist updates and maintenance, and institutional money laundering risk self-assessment. This offers a solid foundation to meet the complex and evolving demands of anti-money laundering compliance, supporting the effective implementation of related initiatives.

Internal Control System for Anti-Money Laundering

Financial Management

- Designate the Legal & Compliance Department as the lead unit for anti-money laundering efforts, with one dedicated anti-money laundering position in each department;
- Establish and refine anti-money laundering-related processes and policies to define anti-money laundering obligations, assign departmental responsibilities, standardize the suspicious transaction reporting mechanism, and outline the money laundering risk assessment process;
- Deploy an anti-money laundering information system to automatically identify and assess money laundering risks based on watchlists, customer identity, financial product type, and transaction amount, and integrate the results with business systems for real-time monitoring.

Financial Monitoring

- Examine the source and destination of funds in large-amount transfers to ensure compliance and legality, eliminating any illegal operations.
- Manage customer and supplier profiles via CRM⁹ and GSP systems, and conduct credit evaluations to tightly control customer transactions and supplier access.

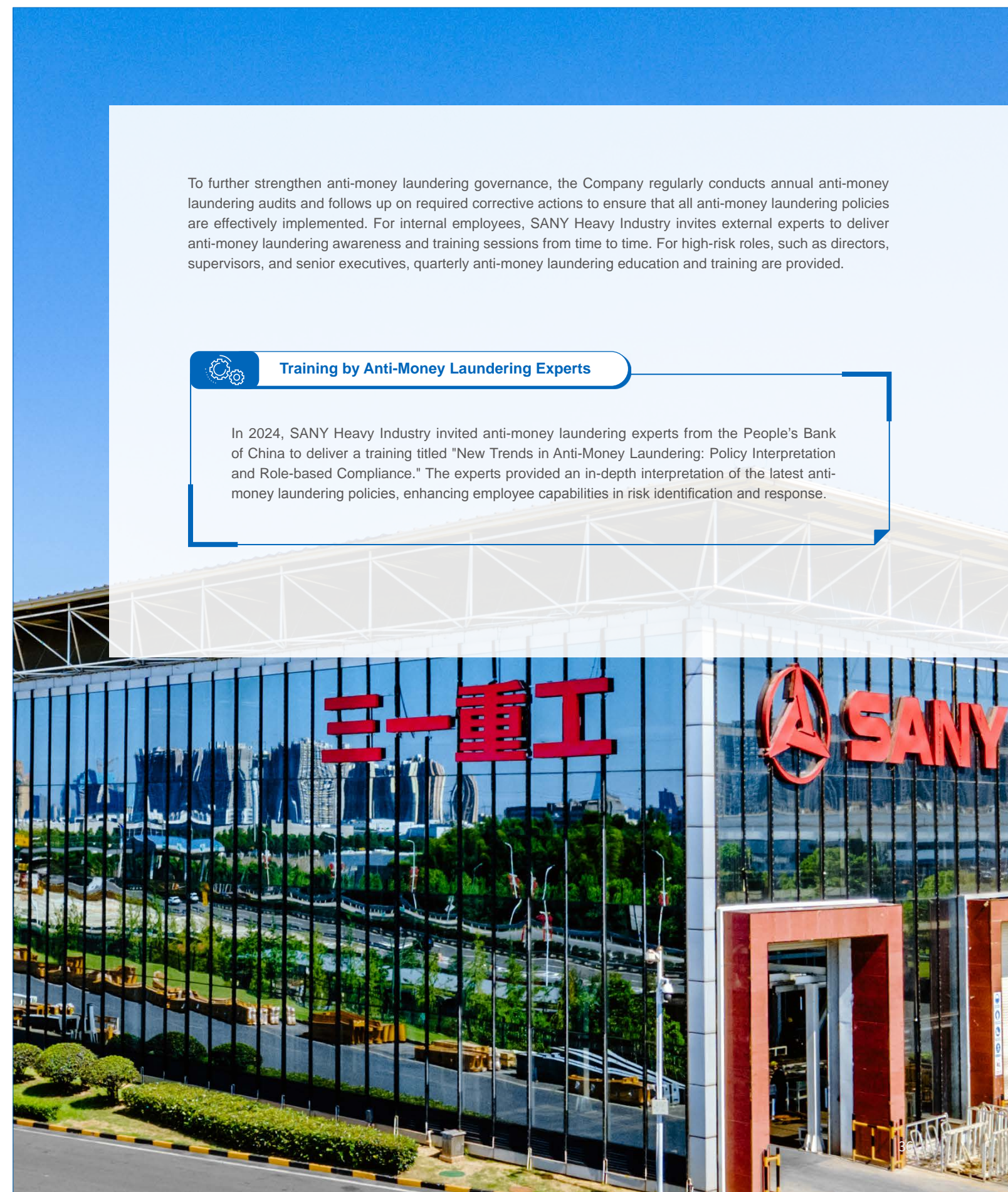
⁹ CRM: Customer Relationship Management.

To further strengthen anti-money laundering governance, the Company regularly conducts annual anti-money laundering audits and follows up on required corrective actions to ensure that all anti-money laundering policies are effectively implemented. For internal employees, SANY Heavy Industry invites external experts to deliver anti-money laundering awareness and training sessions from time to time. For high-risk roles, such as directors, supervisors, and senior executives, quarterly anti-money laundering education and training are provided.



Training by Anti-Money Laundering Experts

In 2024, SANY Heavy Industry invited anti-money laundering experts from the People's Bank of China to deliver a training titled "New Trends in Anti-Money Laundering: Policy Interpretation and Role-based Compliance." The experts provided an in-depth interpretation of the latest anti-money laundering policies, enhancing employee capabilities in risk identification and response.





02

Driving Technological Innovation to Deliver First-Class Products

SANY Heavy Industry remains committed to customer-centricity and the philosophy that "Everything Starts with Innovation." Upholding integrity and embracing innovation, the Company actively promotes a green and intelligent manufacturing transformation, empowering the high-quality development of a diversified product ecosystem through innovation. While honoring our commitment to product quality, we integrate sustainability into supply chain management to accelerate the development of new quality productive forces, injecting new momentum into industrial modernization.



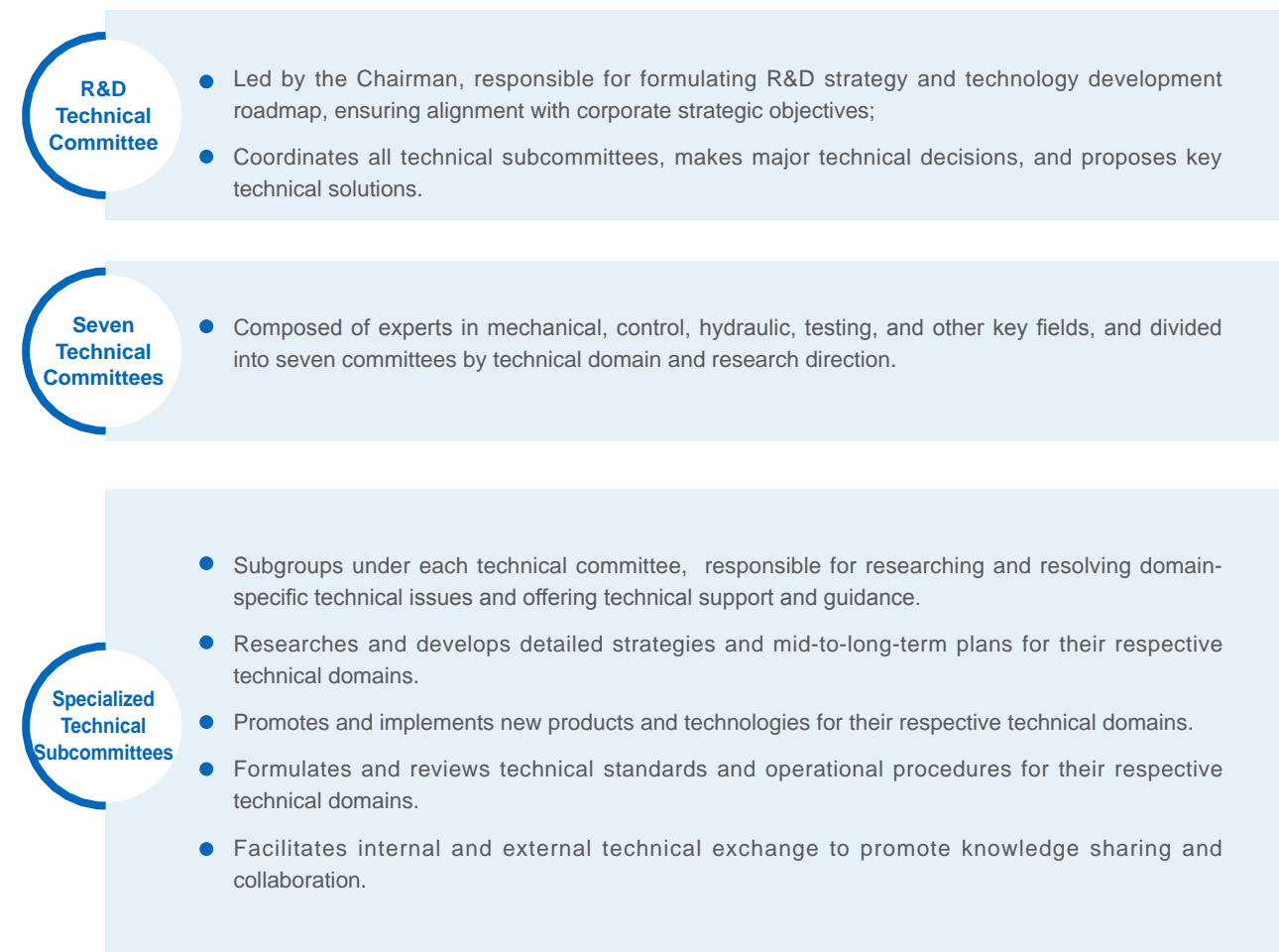
Innovation-Driven Development

SANY Heavy Industry views innovation and R&D as an enduring driving force for sustainable corporate growth. Aligned with its strategic direction of globalization, digitalization, and decarbonization, the Company is building an innovation ecosystem that integrates green technology with digital solutions. We continue to enhance our open and collaborative R&D system, cultivate internationally competitive R&D teams, and advance the protection and application of intellectual property, providing global customers with greener, smarter products and services.

Scientific Research System

SANY Heavy Industry is dedicated to optimizing its scientific research system to enhance operational efficiency and management capabilities. The Company has developed and continually refined a series of internal management regulations, such as the *R&D Project Input-Output Management Measures*, the *R&D Planning and Management Guidelines*, and the *R&D Materials Management Measures*, ensuring standardized and efficient R&D processes. A multi-tiered quality management structure has been established, comprising the R&D Technical Committee, seven specialized technical committees and their subcommittees. This framework clearly defines departmental responsibilities and promotes effective collaboration and oversight to ensure efficient quality management.

R&D Management Structure

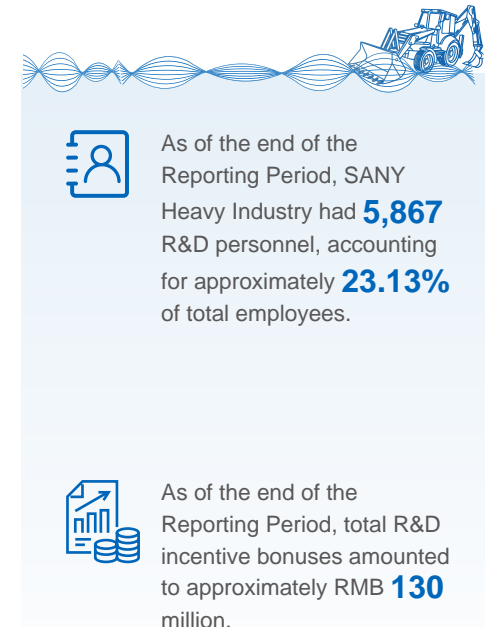
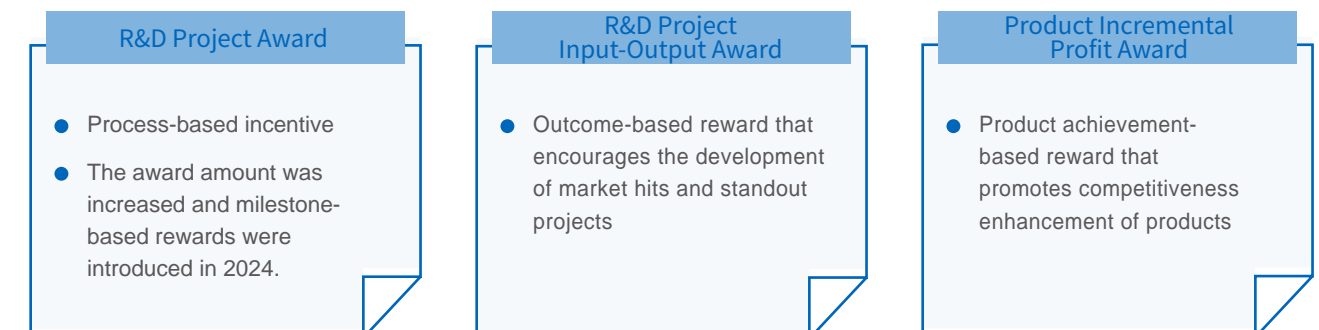


Scientific Research Team

SANY Heavy Industry regards talent as the core engine of sustainable development. In alignment with its operational needs, the Company has established and continuously improved a professional title assessment and management system for all R&D personnel. This system is position-based and focuses on assessing employees' capabilities and achievements. R&D employees who are awarded titles under this system are entitled to corresponding compensation and benefits, thereby encouraging continuous technical advancement and accelerating the commercialization of research outcomes. We have also introduced a project manager system for R&D projects. Through training and certification programs, this system enables high-quality and efficient management of project outcomes, supporting continuous skill development for R&D project managers.

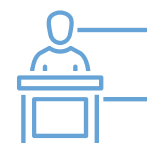
The Company places a strong emphasis on incentivizing innovation among R&D personnel. Based on employee grade and the nature of research outcomes, SANY Heavy Industry presents awards such as the R&D Project Award, the R&D Project Input-Output Award, and the Product Incremental Profit Award to individuals who demonstrate exceptional achievements in product innovation. These incentives help foster enthusiasm and engagement among R&D employees, providing robust talent support for the Company's sustained and steady development.

Categories of Innovation Incentives at SANY Heavy Industry



SANY Heavy Industry is also committed to the long-term development of its scientific researchers. Through programs such as training for heads of research institutes and R&D project managers, the Company supports the all-round growth of its R&D personnel, encouraging continuous improvement and alignment of personal development with corporate goals.

Training Programs for R&D Personnel in 2024



Dean Course

- Targeted at scientific researchers in the management track, this program focuses on enhancing subject-matter expertise and leadership capabilities. It also promotes digital and intelligent transformation, helping to build a management team aligned with the Company's strategic direction. In 2024, the Company organized a total of 4 sessions of training programs for Deans of Research Institutes and Directors of R&D Departments.

R&D Project Manager Training

- Regularly offered to R&D personnel, this training covers R&D processes, requirements management, planning, project management, incentives, policies, and cross-functional knowledge spanning product technology, process, manufacturing, business, and finance. These initiatives support the long-term career development of R&D professionals.

Thematic Training in Professional Knowledge, R&D Tools, and Processes

- Based on job roles and technical specialties, the Company organizes both general and specialized certification programs. It also conducts targeted training sessions on specific products and technical domains, continuously enhancing employees' job performance and professional skills.



Intellectual Property

SANY Heavy Industry adheres to a dual-engine strategy of technological innovation and IP protection. In line with national regulations such as the Patent Law of the *People's Republic of China*, the *Trademark Law of the People's Republic of China*, and the *Enterprise Intellectual Property Management Standards*, and guided by internal policies including the *R&D Patent Management Measures*, *Trademark Management System*, and the *Overseas Patent Application Guide*, the Company ensures institutional support for IP creation, management, and enforcement both domestically and internationally.

In 2024, the Company focused on system building, IP enablement, IP protection, and external engagement to enhance the standardization and efficiency of its IP management practices, ensuring that innovations are both well-protected and effectively commercialized.



As of the end of the Reporting Period, SANY Heavy Industry had filed **1,047** domestic patent applications and obtained **691** authorizations. Overseas, the Company filed **45** international patent applications and received **30** authorizations.

In total, the company had accumulated **8,977** patents granted both domestically and internationally.

2024 IP Highlights at SANY Heavy Industry



System Building

In 2024, SANY Heavy Industry established a routine monitoring system for key trademarks and achieved the following results during the Reporting Period:

- Completed customs export filings for **150** companies covering **295** batches of products and provided support for customs inspections in Shanghai, Guangdong, Wuxi, and Tianjin.
- Monitored over **800** trademarks, and filed **38** oppositions and invalidation cases against infringements.
- Filed **54** new trademark applications, registered **33**, and renewed **150**.



IP Enablement

- Built a professional talent pool across headquarters and major business units, enabling efficient cross-department collaboration among R&D, Legal, and IT teams.
- Formed a dedicated IP working group to handle issues related to data, copyright compliance, and crisis management during operations.



IP Protection

- Continued to strengthen internal IP protection, resolving multiple trademark infringement cases and conducting special rights protection actions during the Reporting Period.



External Engagement

- Actively participated in advanced manufacturing IP protection forums, and collaborated with Hunan Intellectual Property Bureau, Changsha Intellectual Property Office, and China Construction Machinery Association to discuss IP development in the construction machinery sector.
- Played an active role in the "Go Global, Free Trade" series hosted by the Department of Commerce of Hunan Province, and co-organized IP protection events focused on overseas operations.

Superior Quality

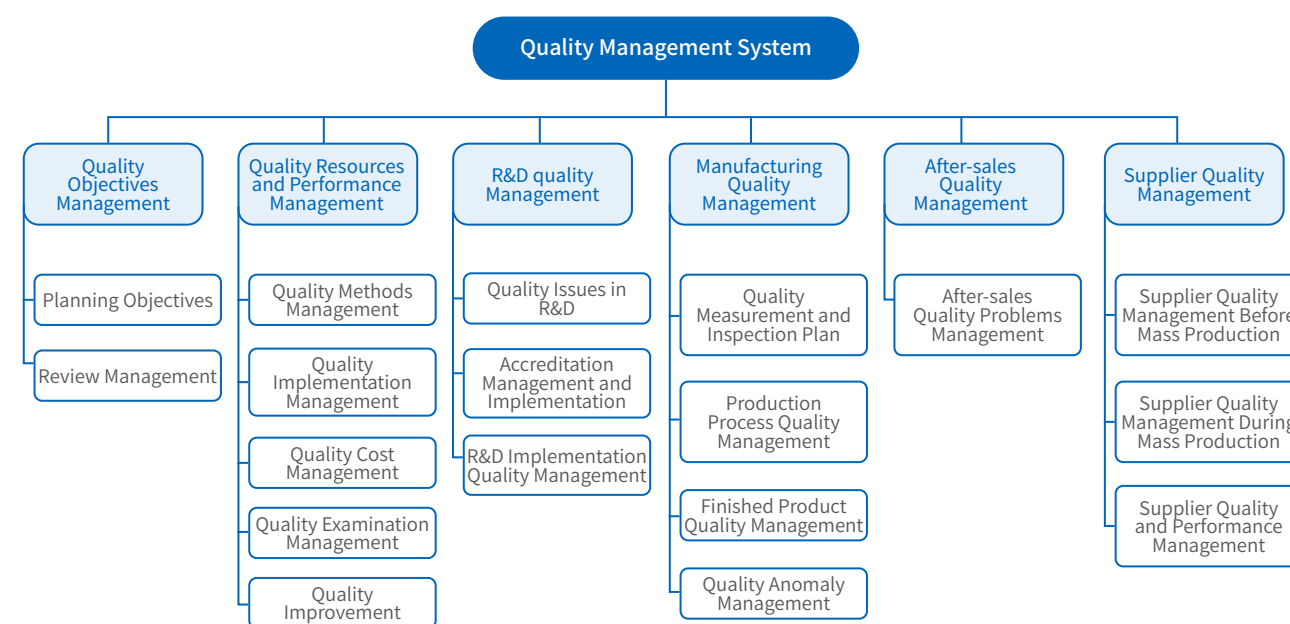
Always putting product quality first, SANY Heavy Industry fully leverages the advantages of its large-scale industrial bases and establishes comprehensive quality management procedures. It also establishes comprehensive quality management processes to provide customers with quality assurance throughout the life cycle of products. The Company also gets to know customers' accurate needs and continuously improves products and services, creating a good brand image.

Quality Management

Adhering to the responsible business philosophy, SANY Heavy Industry strictly implements quality standards in terms of the national laws and regulations of the *Product Quality Law of the People's Republic of China*, standard of Q/SY 011244-2021, and the Company's internal regulations of *Importance Rating and Requirements of Product Quality Properties*, *Technical Notification Management System*, and *3.3.4.1 Technical Notice Management Procedures*. We have earned customers' trust through superior products.

By the end of the Reporting Period, **22** subsidiaries of SANY Heavy Industry have been certified for the ISO 9001 quality management system.

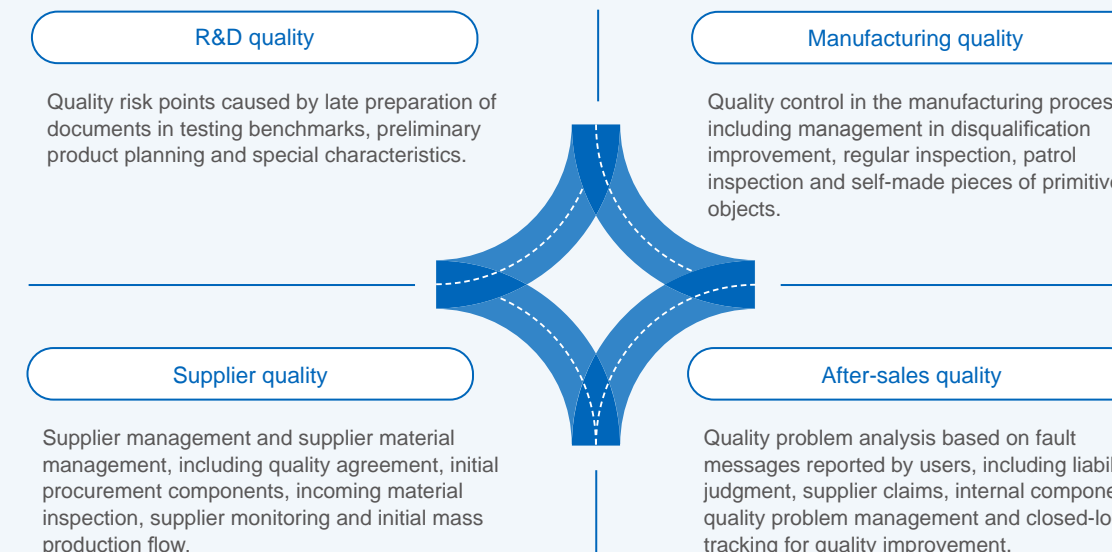
Quality Management System of SANY Heavy Industry



The Company has established and continued to improve its internal quality management system covering multiple management processes in terms of R&D quality, manufacturing quality, supplier quality and after-sales quality. The Company identifies quality risk factors that may arise during the operation of each business modules and ensures high-efficiency implementation of quality management.

As of the end of the reporting period, with more than **20,000** registered users and over **8,100** monthly active records, the system covers the quality business of **121** domestic factories.

Quality Management Contents of SANY Heavy Industry



SANY Heavy Industry has established its digital quality information system. By drawing quality control maps and integrating information from quality boards at workstations, quality risk maps, need-to-know management and quality boards at production lines, the Company identifies all quality problems that may arise during operations. The Company assigns quality management responsibilities to individuals, continuously improving its overall quality management.

Quality Control Map



The Company places high importance on product quality and safety control. In response to emergencies such as product safety incidents, the Company has established the *Accountability Management System for Major Quality Defects*. In the event of a major quality incident, the Company is ensured prompt follow-up and proper handling of product safety incidents during production. The Quality Headquarters and the Board Office address relevant feedback within 24 hours of such incidents and handle them strictly in accordance with the system. Through this mechanism, the Company effectively minimizes the occurrence of the incidents and further enhances customer satisfaction. In 2024, SANY Heavy Industry did not experience any major product safety incidents.

Customer Service

Committed to a customer-focused service philosophy, SANY Heavy Industry with complies with laws such as the the *Law of the People's Republic of China on the Protection of the Rights and Interests of Consumers*, the *Advertising Law of the People's Republic of China*, and the *Anti-Unfair Competition Law of the People's Republic of China*. The Company deeply conducts daily operations and service managemment in full compliance with legalrequirements, explores and efficiently responds to customer needs, and builds an excellent corporate service brand with and for customers.

Based on internal systems like the Customer Complaint Procedures, the Company has established a robust mechanism for handling, responding to, and promptly addressing customer complaints. Through a 24/7 service hotline, online customer service on our official website and private messages on social media platforms, we listen to customer feedback to provide higher-quality, more efficient and precise services.

In 2024, to protect customer rights, SANY Heavy Industry also reconstructed its customer data security mechanism, clarifying the rights and obligations of data owners. A special team conducts risk assessments and distributes checklists. Personal data collection, storage duration, data transmission and destruction are strictly limited, effectively ensuring the integrity, confidentiality and transparency of customer business data.

In 2024, SANY Heavy Industry experienced **no cases** related to customer privacy breaches.

Sustainable Supply Chain

Emphasizing the construction of a sustainable supply chain, SANY Heavy Industry builds up the supplier management and collaboration by establishing a comprehensive supplier management system. The Company conveys the concept of sustainable development throughout the supply chain. Together with partners, we are committed to building a stable and efficient supply chain system and promoting the sustainable development of the industry.

Supply Chain Management

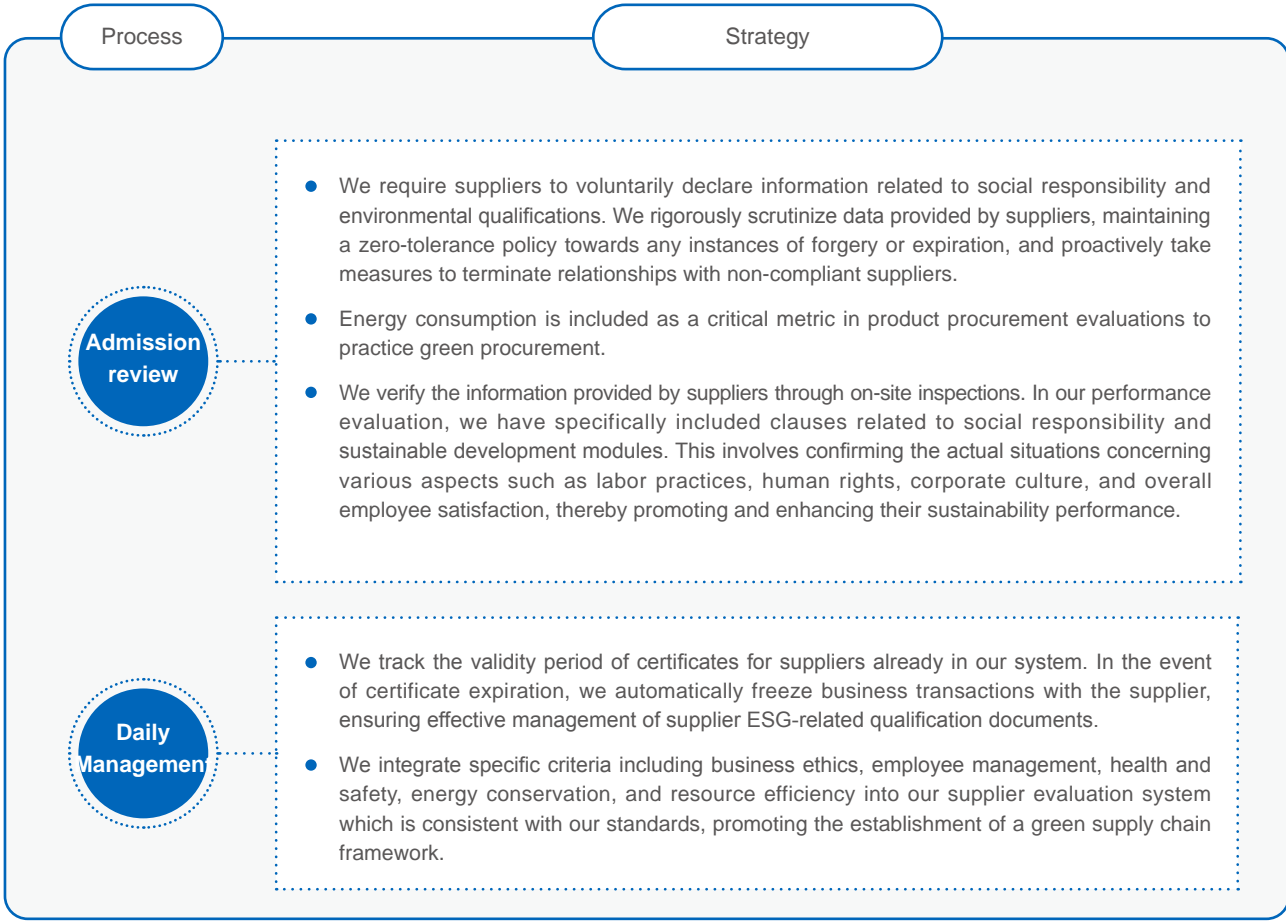
SANY Heavy Industry strictly complies with the *Law of the Bidding Law of the People's Republic of China*, the *Regulation on the Implementation of the Bidding Law of the People's Republic of China* and relevant legislative provisions in the operating area. To clarify all management requirements for suppliers, we have established and continuously improved internal protocols such as the *Supplier Management System*, the *Supplier Evaluation Process*, the *Supplier Category Exit Process* and the *High-Quality Risk Supplier Management Process*, covering management of all stages from supplier admission, and evaluation, to supplier exit, as well as tiered supplier management and sustainability performance reviews.

We implement a tiered management strategy based on suppliers' comprehensive capability ratings. Suppliers are categorized as strategic, premium, backup, actively exiting, and passively exiting, ensuring continuous optimization and efficient operation of the supply chain.

2024 SANY Heavy Industry Supplier Statistics¹⁰

Indicator		Number
Total Number of Suppliers		3,901
Suppliers by Procurement Category	Number of production suppliers (Procurement of raw and auxiliary materials)	1,865
	Number of non-production suppliers (Project procurement)	2,036
Production Suppliers by Category	Number of suppliers of general products	978
	Number of suppliers of specialized products	1,247

Committed to building a sustainable supply chain, we fully integrate ESG strategies across the supply chain management. By implementing measures like inventory management, qualification reviews, regular assessments, and evaluations, we continuously refine the environmental performance and social responsibility of our supply chain. This proactive approach enables us to effectively identify environmental and social risks associated with our suppliers.



¹⁰ SANY Heavy Industry's supplier data statistics in 2024 include internally assisted suppliers but exclude those eliminated or placed on a blacklist by the end of 2024.

We have utilized advanced technologies such as big data and smart algorithms to improve supplier risk control system. This system enables us to identify and address potential risks proactively, provide timely risk warnings, and swiftly initiate systematic disposal mechanisms and traceability processes in the event of risk occurrence, thus ensuring the stability and sustainable development of the supply chain.



Highlights of updated digital online system of supply chain

In 2024, the Company continued to optimize the digital online system of supply chain:

- Increased coverage areas. Five departments including the Indonesia Lighthouse Factory have launched the global procurement platform (iGSP), and initiated to incorporate overseas procurement into the Company's management and control system.
- More functions and improved efficiency. The online automation model was launched to effectively reduce repetitive work and simplify business operations. Time was shortened by **55.47%** in supplier information review, by **14.98%** in the contract signing, and by **19.99%** in the average delivery cycle of mass-produced materials.
- Expanded communication channels. The business intelligence customer service function was launched online, providing **48,672** question-and-answer services throughout the year, with an automatic problem-solving rate of **68.86%**, significantly improving service efficiency.



Supplier Communication

SANY Heavy Industry prioritizes its efficient communication mechanism with suppliers and helps suppliers improve their management capabilities and professional skills by regularly implementing empowerment training programs. We guide suppliers to foster responsibility awareness and boost supply chain resilience to maintain the stability and sustainable development of the supply chain.

In 2024, the Company conducted a satisfaction survey for core suppliers. Based on past survey results and questionnaires, this survey focused on collecting opinions from industry comparison, business processes, support dimensions and supplier relationships. The overall supplier satisfaction was **4.23** points, an increase from previous years, reflecting the Company's continuous improvement in supplier collaboration management.

In 2024, SANY Heavy Industry improves its supply chain capabilities by carrying out supplier empowerment, technological innovation cooperation and high-level visits. Using the "Supplier Evaluation System and Supplier Assistance System" and guided by the "Principles of Long-term Thinking, Improvement Mindset, and Practicality", we have empowered **22** suppliers; We strengthen cooperation in technological innovation, and through initiatives like the tech lecture series and innovation forums, we enhance technical innovation exchanges with alliance suppliers, creating a collaborative ecosystem; High-level visits and meetings totaled over **100**, fostering a multidimensional and deep cooperative environment together.



Supplier empowerment

In 2024, SANY Heavy Industry continued to advance the supplier empowerment program. We identified suppliers with poor initial rating as empowering targets. Teams of the Business Affairs Headquarters provided customized empowerment. Upon project completion, third-party institutions verified the results which rated such suppliers as at least one-level higher in ratings. To motivate both teams and successfully complete empowerment programs, we implemented the following mechanisms:

- For our team: Rewards were distributed to program teams of the Business Affairs Headquarters based on the number of successfully empowered suppliers;
- For empowered suppliers: Suppliers with significant rating improvements were prioritized for new product collaborations.

03

Low-Carbon Development and First-Class Operations

CO₂

SANY Heavy Industry actively fulfills the "Dual Carbon" responsibilities, continuing to optimize our environmental management system, enhancing green manufacturing and promoting low-carbon, environmentally friendly, and resource-efficient production and operations. To safeguard and support the achievement of the company's sustainable development, we work together to build an environmentally friendly future.



Environmental Management

Environmental Management System

SANY Heavy Industry prioritizes environmental protection in its operations, strictly adhering to the *Environmental Protection Law of the People's Republic of China* and other relevant laws and regulations. The Company has established internal policies and initiatives to effectively reduce pollutant emissions and minimize environmental and ecological impacts. have been continuously improving our environmental management system to achieve the dual goals of sustainable operations and environmental protection.

Environmental Management System Construction



Internal
System

- Issue the *HSE Management Manual* as per *ISO 14001 Requirements and Guidance for Use of Environmental Management System*, *ISO 45001 Requirements and Guidance for Use of Occupational Health and Safety Management System* and relevant laws and regulations.
- Formulate or refine HSE procedural documents and management protocols for all subsidiaries in alignment with the legal and regulatory updates,enhance the HSE management mechanism through a multi-faceted approach.



Management
Structure
Construction

- **Centralized management:** The Company's president is responsible for reviewing and approving major HSE decisions, and monitoring the occurrence of major HSE abnormal events.
- **Implementation:** Establishing a Safety and Environment Committee to promote the HSE work and report progress to the board members to ensure the effective implementation of HSE management system requirements.



Performance
and Target
Management

- **HSE goals setting** ① Setting annual goals to be achieved in HSE management, and require subsidiaries to develop and split up the annual HSE management goals. ② Based on the "extended responsibility" concept, HSE goals not only cover the Company's own operations but also extend to supplier qualification, collaboration and long-term development, which ensures controllable supply chain risks. ③ Ensure 100% of critical suppliers certified by ISO 14001 and ISO 45001, conduct regular HSE risk assessments for suppliers and perform annual dynamic scoring to improve collaborative HSE management.
- **Linking HSE performance to remuneration:** Incorporating HSE performance into the annual performance contracts of executives, and establishing the *HSE Reward and Punishment System* with a corresponding manual. The policy that salaries of employees and executives are adjusted according to HSE performance specifies a decrease in executives' compensation when poor HSE performance occurs, and an increase that when the performance meets requirements, to raise the management's attention to HSE and promote management level.

External independent audits are conducted annually, complemented by internal site audits every six months and internal online audits monthly, with full coverage across all factories to ensure compliant operation of the environmental management system.



In 2024, among our **22** main machine and parts manufacturing subsidiaries, **12** subsidiaries were certified to ISO 14001 environmental management system, accounting for **54.5%** of the total.

Environmental Management Initiatives

Oriented by the concept of green development, SANY Heavy Industry has established standards in the *HSE Management Manual* for environmental assessment and management, hazard identification, emergency management, HSE reviews and agreement signing, to ensure standardized and effective implementation of environmental management, creating an eco-friendly workplace.

Lifecycle Environmental Management



Environmental Impact Assessment

- We conduct comprehensive assessments to evaluate potential adverse impacts and risks to the environment throughout the project life-cycle, in line with local laws and regulations before the project starts. We also implement sound and effective risk response measures to minimize or eradicate adverse effects.



Environmental Monitoring

- Each company crafts monitoring plans tailored to its unique circumstances and establishes a robust environmental monitoring system. This system integrates various methods such as environmental monitoring, automated monitoring, manual monitoring, and commissioned testing.
- Each company rigorously enforces adherence to emission standards, supported by third-party assessments of emission permits. In 2024, we successfully obtained **100%** necessary emission permits without any violations.



"Four New" Introduction Management

- When introducing new equipment, materials, technologies, or processes (collectively referred to as the "Four New"), we meticulously identify and assess project hazards and environmental factors to ensure compliance with safety and environmental regulations.
- Comprehensive HSE training is provided before the introduction of any new processes, technologies, materials, or equipment, thereby enhancing employee safety awareness and operational efficiency.
- Standard acceptance procedures are established for projects involving the "Four New."



Emergency Response

- We proactively identify and mitigate potential environmental and safety incidents or emergencies within the Company, ensuring prompt and effective response measures.
- We develop and regularly rehearse emergency plans to bolster employee response capabilities and proficiency.



Employee Training

- We design customized training programs and competency requirements for employees in various job roles, focusing on risk management, case studies, and emergency prevention/preparedness, thus enhancing their HSE knowledge and response skills.



Stakeholder Management

- We form specialized agreements with stakeholders that specify responsibilities and effective measures for environmental protection.
- Essential reviews of environmental protection are conducted on project contractors and suppliers to make them compliant with all relevant standards and requirements throughout cooperation.
- We carry out safety and environmental assessments of stakeholders, imposing economic penalties for non-compliance to effectively influence and regulate their behavior.



Ecological Protection

Adhering to the concept of clean production, SANY Heavy Industry implements national and local standards for the disposal of waste (wastewater, waste gas and solid waste). To ensure legal and compliant pollutant emissions, we continue to strengthen the whole-process management of the discharge and disposal of various waste, reducing pollution from the source and continuously optimizing production processes. We protect ecological and environmental quality as well as biodiversity.

In 2024,
SANY Heavy Industry
invested RMB **520** million
in environmental protection.



Wastewater, waste gas, and on-site noise emissions met **100%** of standards, and **100%** hazardous waste was disposed of in compliance with regulations.

Pollutant Emission Data in 2024

Indicators		Unit	2024
Waste Gas Emissions	Total waste gas emissions	Cubic meter	14,044,956,884.64
	SO ₂ emissions	Ton	2.10
	NO _x emissions	Ton	33.28
	VOCs (volatile organic compounds) emissions	Ton	114.66
	Total soot emissions	Ton	89.10
Wastewater Discharges	Total water discharge	Ton	405,179.10
	Biochemical oxygen demand (BOD) discharge	Kilogram	4,681.51
	Chemical oxygen demand (COD) discharge	Kilogram	27,149.82
	Suspended solids (SS) discharge	Kilogram	6,970.66
	Ammonia nitrogen (NH ₃) discharge	Kilogram	3,793.42
Waste	Total hazardous waste discharge	Kilogram	5,123,021.10
	Total general industrial solid waste discharge	Ton	156,955.45

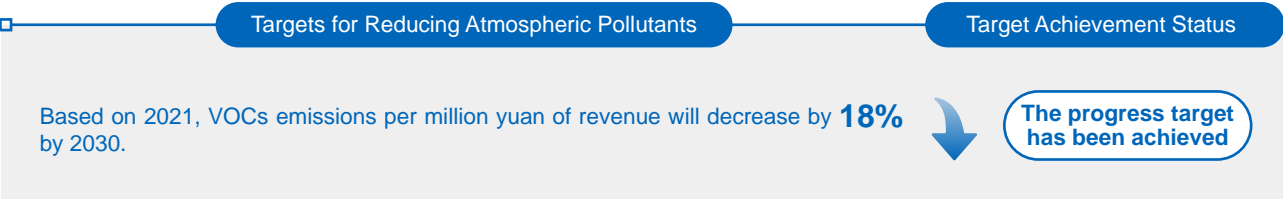
In 2024, we released the *Environmental Policy*, setting medium-term energy-conserving and emission-reduction targets for the Company. To drive our green and low-carbon transformation, we are committed to further reducing energy consumption and pollutant emissions during production through technological innovation and management optimization. During the reporting period, SANY Heavy Industry experienced no environmental pollution incidents due to waste loss, leakage or diffusion.

Medium-term energy-conserving and emission-reduction targets in the *Environmental Policy*

Category	Target
Energy conservation	<ul style="list-style-type: none">Based on 2022, comprehensive energy consumption per RMB one million of output value will be reduced by 22.5% by 2030.
Waste gas	<ul style="list-style-type: none">Based on 2021, VOCs emissions per million yuan of revenue will decrease by 18% by 2030.
Wastewater	<ul style="list-style-type: none">Based on 2021, reduce the wastewater COD discharge per million yuan of revenue by 18% by 2030.
Hazardous waste	<ul style="list-style-type: none">Based on 2023, hazardous waste production per million yuan of revenue will be decreased by 4% by 2030.

Waste Gas Management

SANY Heavy Industry's atmospheric pollutants mainly originate from daily production and operations, primarily volatile organic compounds (VOCs). The Company always follows laws, regulations and standards, including the *Atmospheric Pollution Prevention and Control Law of the People's Republic of China* and the *Notice of the State Council on Issuing the Action Plan for the Prevention and Control of Air Pollution*, to strictly implement requirements for pollutant emissions. We set reduction targets for waste gas pollutants. The VOCs emission idensity in 2024 was **14.47** tons per million yuan of revenue, a **17.9%** ↓ decrease from the base year with the target achieved.



SANY Heavy Industry actively applies emission reduction measures to minimize volatile organic compounds and other waste gases generated during daily production and operations, such as coating and welding.

Upgrading of waste gas treatment equipment

In 2024, Lingang Branch of SANY Heavy Industry's Heavy Machinery Business Division invested RMB 3 million to complete the upgrading of the VOCs waste gas treatment equipment for the whole-machine repair line. A new set of zeolite rotor of 80,000 air volume plus CO treatment equipment was added, reducing the total waste gas emissions by 90% year-on-year and VOCs emissions by 4.2 tons per year. This provided strong support for the Company's green transformation.

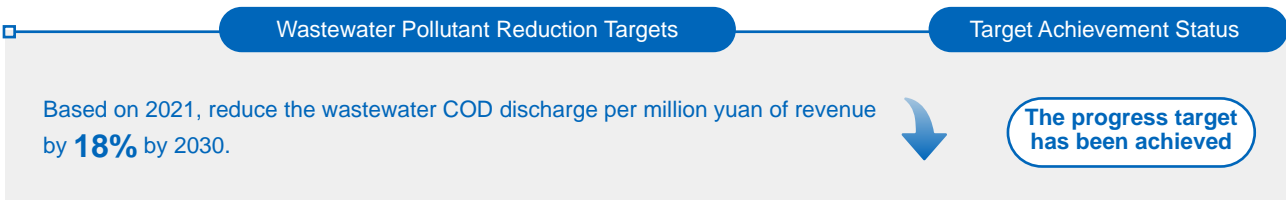


Newly Introduced waste Gas Treatment Equipment at Lingang Branch

Wastewater Management

Production wastewater and domestic wastewater are the main sources of wastewater discharge by SANY Heavy Industry. Wastewater pollutants primarily include chemical oxygen demand (COD) and ammonia nitrogen. The Company treats wastewater by categories and strictly manages its discharge in accordance with the *Water Law of the People's Republic of China*, the *Water Pollution Prevention and Control Law of the People's Republic of China* and other regulations.

We require our subsidiaries to formulate and enforce their management systems for wastewater treatment, and to clarify requirements of emission limits for COD and ammonia nitrogen. To continue to improve management for multipurpose use of wastewater, they are also required to strictly control the treatment and discharge of industrial wastewater through advanced wastewater treatment techniques and on-line monitoring. We established a short-term emission reduction target for reducing the total volume of wastewater in all production and operation processes. In 2024, the wastewater COD discharge intensity was **0.34** ton per million in revenue, **84.5%** ↓ reduction compared to the base year, with our target achieved.





Upgrading of painting process

In 2024, SANY Heavy Industry upgraded its painting process. We adopted dry paint mist removal technology to replace the wet one in coating. By using efficient filter materials to directly capture paint mist, we avoided secondary pollution caused by the use of flocculants and other chemicals in the wet process, and reduced water consumption. In 2024, a total of **282,064** tons of water and **153,900** kWh of electricity were saved, achieving a more eco-friendly and economical painting.



Adjustment of vehicle cleaning process

In 2024, SANY Heavy Industry improved its vehicle cleaning process. We replaced the direct flushing mode with a wipe-then-flush approach to enhance water resource utilization. In 2024, cumulative water savings reached **2,000** tons, while cumulative wastewater discharge was reduced by **1,600** tons.

Waste Management

SANY Heavy Industry's solid waste primarily originates from daily production and operation processes, including general waste and hazardous waste. As per the *Environmental Protection Law of the People's Republic of China*, *Law of the People's Republic of China on Prevention and Control of Environmental Pollution by Solid Waste* and other relevant regulations. In accordance with the principle of Recycling and Harm Minimization, SANY Heavy Industry establishes a special system to manage waste in a normalized way, including *Waste Management Guideline*, which is to ensure that waste of all kinds are well disposed of and keep at bay impact of waste on the surrounding environment. The Company strictly complies with national laws and regulations to ensure safe and compliant disposal of hazardous waste.

In 2024, SANY Heavy Industry established its short-term emission reduction targets for hazardous waste. The total production of hazardous waste in 2024 was **5,123,021.1** kg, a decrease of **2.0%** compared to 2023, with the set target achieved.

Hazardous Waste Reduction Target

Based on 2023, hazardous waste production per million yuan of revenue will be decreased by **4%** by 2030.



Target Achievement Status

The progress target has been achieved



Ecological Protection

Adhering to the philosophy of "respecting, complying with, and protecting nature", SANY Heavy Industry strives to minimize environmental footprints and the impact of business operations on ecosystems. We implement effective measures to protect vital ecosystems, species, and genetic resources for ecological protection.

To ensure effective mitigation and control of environmental impacts, we strictly comply with legal requirements and conduct environmental surveys and assessments during the preparatory phases of all new construction or renovation projects. We ensure that our operation and construction activities do not encroach upon legally designated ecological protection area¹¹, as well as important habitats¹² and regions with significant ecological functions that are crucial for the conservation of biodiversity. Moreover, we perform a tiered assessment of environmental sensitivity at project sites. Follow-up work will be carried out after confirming that the project will not have a significant impact on ecological resources and habitats, to avoid any damage to the ecosystem as much as possible.

¹¹ Legally designated ecological protection areas: Defined or confirmed by laws, regulations, policies, and other normative documents as national parks, nature reserves, natural parks and other natural protected areas, including World Natural Heritage sites, ecological protection red lines.

¹² Important habitats: These include natural concentration areas and habitats of key species, spawning grounds, foraging areas, overwintering sites, and migration pathways for significant aquatic life, as well as critical breeding grounds, stopover sites, wintering areas, and migration routes for migratory birds and other wildlife.

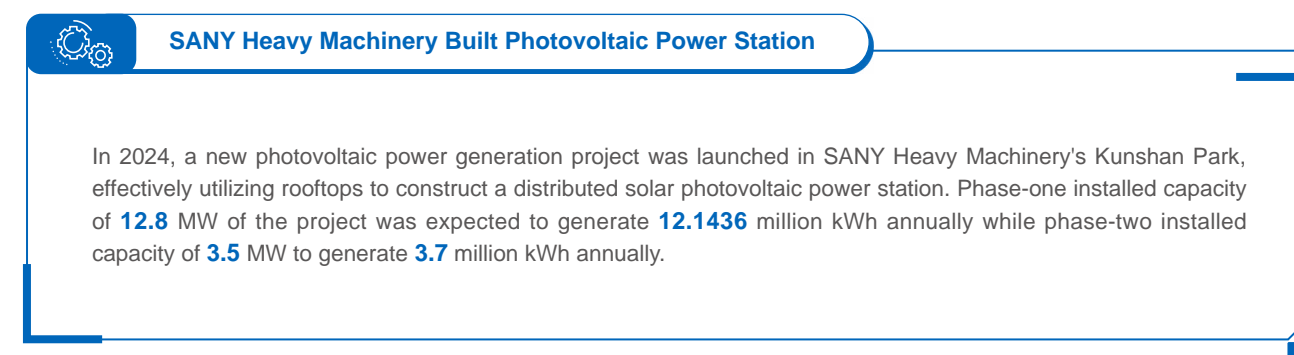
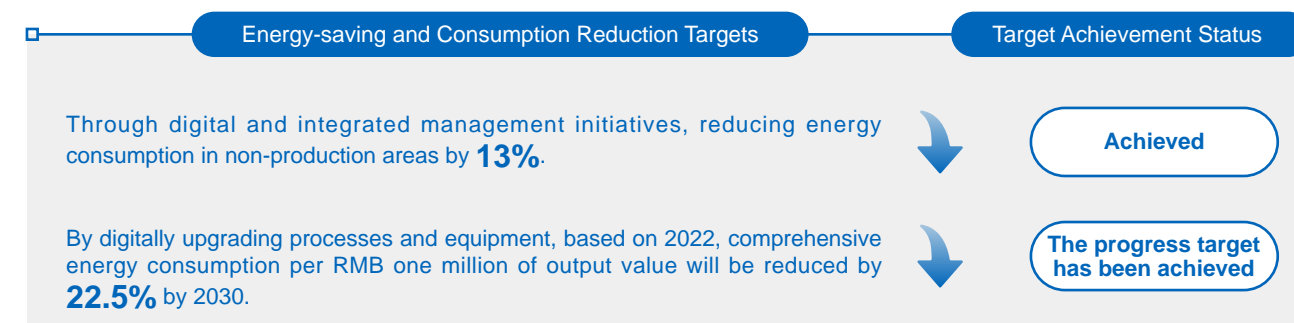
Low-Carbon Development

SANY Heavy Industry actively responds to the national goals of "carbon peak and carbon neutrality", implementing carbon reduction measures throughout the entire production process. The Company strictly controls carbon emissions from the source to promote efficient use of resources and energy. We optimize resource allocation through interconnected carbon reduction. We drive technological transformation and innovation with process carbon reduction as the core, striving to create a green, low-carbon, and circular sustainable development ecosystem.

Carbon Reduction from the Source

SANY Heavy Industry approaches source carbon reduction from energy conservation management and energy infrastructure transformation. On critical processes of energy consumption, the Company performs daily inspections to monitor energy consumption at all production stages and provides weekly energy usage reports, optimizing energy use. In 2024, SANY Heavy Industry established an energy management team to set energy consumption targets, implement energy-saving measures, and conduct feasibility studies on clean technologies.

SANY Heavy Industry transformed our energy infrastructure in all aspects. We promote projects such as photovoltaic and clean energy in a vigorous way to reduce reliance on traditional non-renewable energy sources such as fossil fuels. By the end of 2024, SANY Heavy Industry had installed photovoltaic power generation systems in 21 subsidiaries, with clean energy usage totaling **76.072** million kWh, proportion of clean energy utilization¹³ accounting for **13.8%**. In 2024, the energy consumption per RMB 10,000 of production value¹⁴ was RMB **36.02**, a **4.06%** reduction compared to the baseline year, achieving the target.



¹³ The calculation method for the proportion of clean energy utilization: the ratio of photovoltaic power consumption converted into energy consumption to total energy consumption.

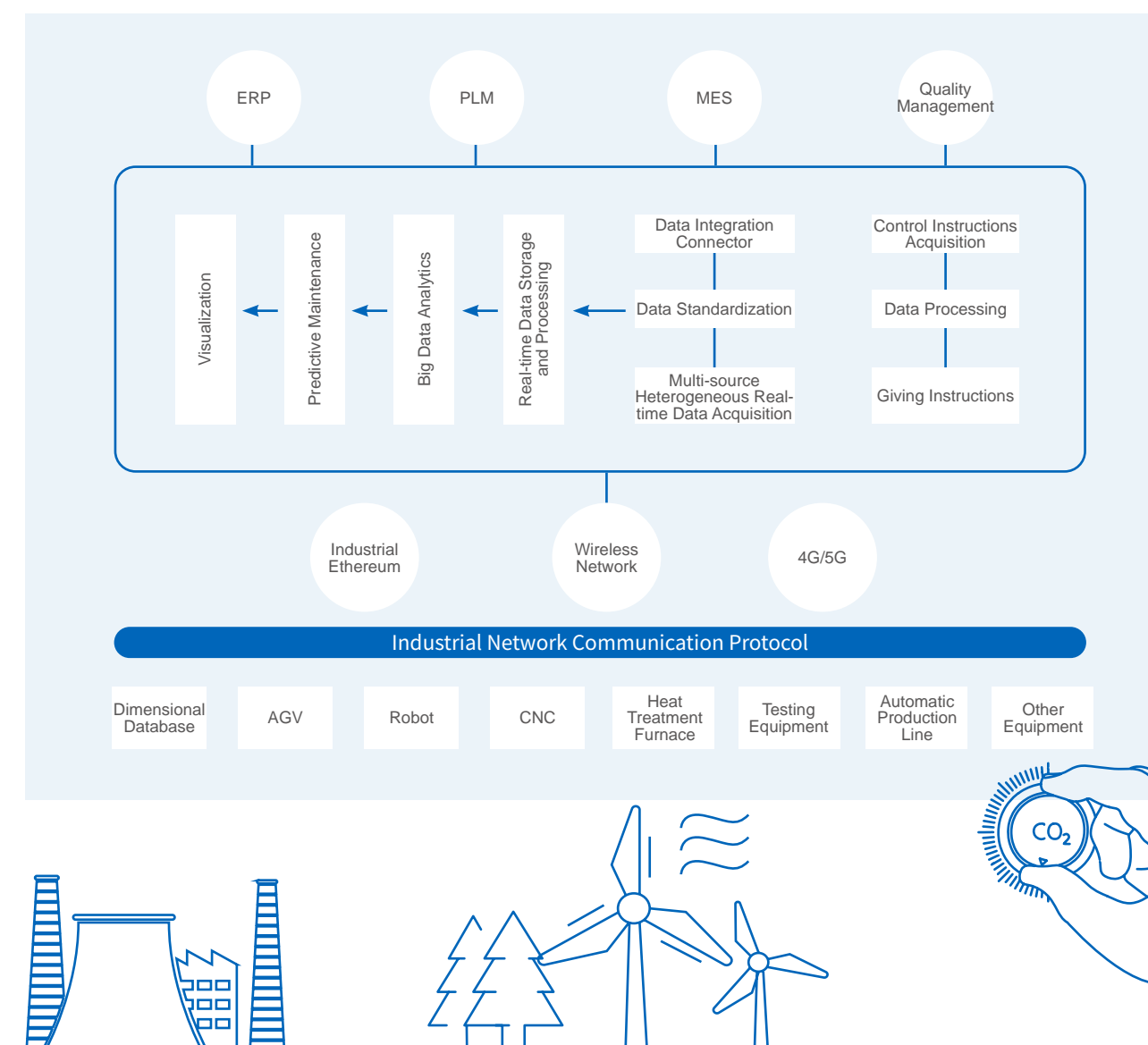
¹⁴ The calculation method for energy consumption per RMB 10,000 of output value in the production area: energy consumption cost incurred during the operation of the production area / the output value × 10,000.

Carbon Reduction via the Inter-connectivity System

SANY Heavy Industry is dedicated to green, efficient and sustainable growth. SANY Heavy Industry follows standards such as the *Code for Construction and Acceptance of Automation Instrumentation Engineering* and the *Technical Code of Energy Consumed Monitoring Systems for Large-scale Public Buildings* to establish the equipment inter-connectivity system, to continuously promote technological advancements and smarter management of production processes. This approach not only boosts production efficiency but also minimizes energy consumption, laying a robust foundation for sustainable growth.

We actively engage in energy conservation and emission reduction efforts by setting up standards for measuring and accounting for carbon emissions. Leveraging interconnected equipment technology, we capture the real-time carbon emission data, ensuring the timeliness and accuracy of data. By employing scientific statistical and analytical techniques, we delve into the carbon emission data to detect underlying patterns and potential issues, thus providing strong data support for targeted reduction strategies within the Company.

Structure of SANY's Equipment Inter-connectivity System

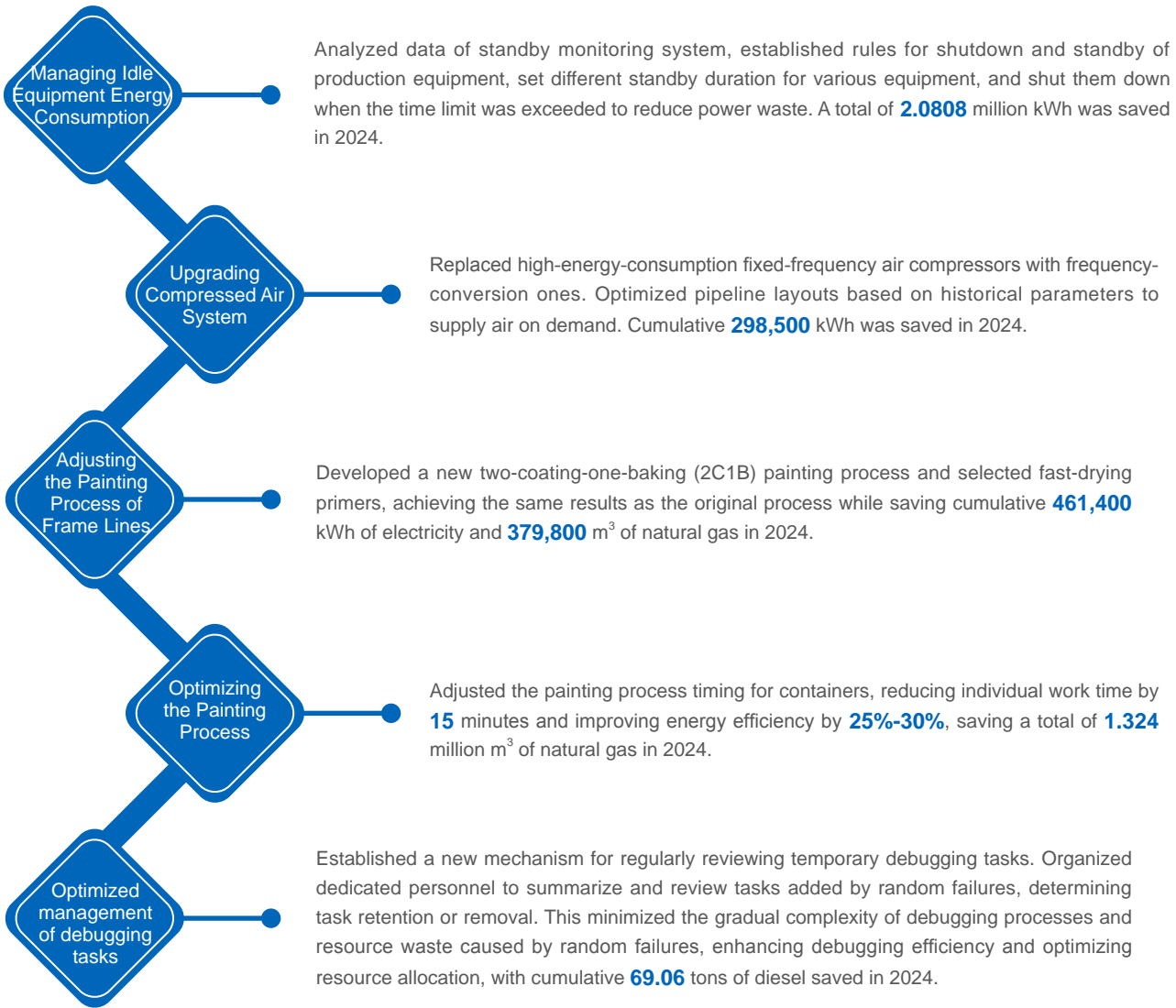


In-process Carbon Reduction

SANY Heavy Industry integrates energy-saving measures into every facet of its production activities to deepen carbon reduction initiatives. As a way to promote carbon reduction, we introduce energy-saving equipment, optimize operational workflows and strategically schedule equipment use to minimize energy wastage.

In 2024,
our energy conservation projects during operational processes yielded an estimated energy cost saving of around RMB **32** million.

Energy-Saving Initiatives Highlights of SANY Heavy Industry in 2024



The Company's Energy Resource Usage and Carbon Emissions in 2024

	Indicators	Unit	2024 Value
Energy use	Purchased electricity	kWh	474,043,760.50
	Gas	Cubic meter	31,045,971.00
	Gasoline	Liter	3,450.00
	Clean energy	kWh	76,072,306.10
	Diesel	Liter	998,699.00
	Combined energy consumption ¹⁵	tce	101,035.83
Greenhouse gas emissions	Scope 1 ¹⁶	tCO ₂ e	69,757.62
	Scope 2 ¹⁷	tCO ₂ e	254,371.88
	Total of Scope 1 and Scope 2	tCO ₂ e	324,129.50

¹⁵ Combined consumption: The sum of all kinds of energy consumed in the production of a product or provision of a service during the statistical reporting period, as converted according to the corresponding prescribed calculation methods and units. Calculation basis: *General Principles for Calculation of Combined Energy Consumption (GB/T 2589-2020)*.

¹⁶ Direct GHG emissions (Scope 1) mainly include emissions from the combustion of gasoline and diesel fuel in administrative vehicles and transportation vehicles, and emissions from the use of natural gas. Calculations are as per the *Greenhouse Gas Emissions Accounting Methodology and Reporting Guidelines for Machinery and Equipment Manufacturers (Trial Implementation)*. Fuel intensity is based on the *Energy Statistics Workbook (Energy Division, National Bureau of Statistics, 2010)*.

¹⁷ Indirect GHG emissions (Scope 2) mainly include emissions from purchased electricity and purchased heating. The national grid emission factors are based on the *Announcement on the Issuance of 2022 Electricity CO₂ Emission Factors*.

Green Industrial Parks

Committed to green living and production, SANY Heavy Industry accelerates the upgrade of green industrial parks. The Company has formulated the *Non-production Area Energy Consumption Management System* and takes energy and resource-saving measures across various scenarios. Meanwhile, the Company leverages digital technologies to aid in energy-saving and emission reduction within the parks, while constructing a circular economy. We also strengthen resourceful utilization of waste and innovate clean production processes to reduce ecological burden and to create a low-carbon, eco-friendly, and sustainable living and working environment. In this way, we have achieved dual improvements in environmental benefits and operational efficiency.

Energy Consumption Management

- Issued energy consumption control system such as the *Notice on Promoting Energy Consumption Management in Industrial Parks*, conducting grid inspections and energy consumption controls.
- Retrofitted solar street lamps, installed timer-controlled power strips and promoted the construction of distributed photovoltaic power stations on non-production area rooftops to reduce power consumption.
- Optimized vehicle use and reduced carbon emissions through GPS data and vehicle fuel consumption analysis.

Paperless Office

- Realized visualization of workstation resources in the parks, effectively improving the utilization rate of office areas.
- Requests can be submitted online via SANY+ software and other platforms like Feishu, facilitating automatic dispatch and online closure control.

Smart Dormitories

- Paperless processing system was applied with transparent dormitory and guest house resources, realizing online processing from booking, check-in to check-out and saving manpower cost.
- Installed smart locks and smart utility meters to monitor abnormal data of energy consumption in a real-time way and address issues.

Low-carbon Life

- Installed sensor faucets, conducted regular silent inspections to identify and seal leaks and adjusted water pressure to reduce water waste.
- Promoted The Clean Plate Campaign in the canteen and monitored inventory data to minimize food waste due to oversupply.
- Reduced the use of disposable packaging and implemented packaging redesign and reuse.

Environmental Maintenance and Governance Project of Industrial Parks

In 2024, SANY Heavy Industry adhered to the concept of green development and centered on the construction of "Green Industrial Parks", carrying out environmental maintenance and governance in multiple dimensions. In the project of restoring park forest, professional teams took measures such as replanting of divided grasslands and forests, automatic sprinkler irrigation and pest control, achieving **96%** greening integrity in production, office, and living areas. Carbon of **12.5** tons was sequestered, effectively enhancing the ecological quality of the parks.

Meanwhile, we carefully developed the "Green Industrial Park" project, planning vegetable gardens and nursery bases, promoting organic composting and rainwater irrigation technologies. Organic matter content in soil was increased by **25%**, and **4,000** kg of pollution-free fruits and vegetables and **120,000** pots of flowers and plants annually were produced in 2024, providing employees with a healthy and green working and living environment.



Tree Maintenance and Seedling Growth in Vegetable Gardens

Resource Usage Data of SANY Heavy Industry in 2024

Indicators		Unit	2024 Value
Water Resource Usage	Municipal Supply Water	Ton	3,103,037.00
	Metal (Aluminum Alloy Packaging Boxes)	Ton	58,135.72
Packaging Material Usage	Plastic (Plastic Sheets)	Ton	118.50
	Composite Materials (Plywood)	Ton	40.00
	Paper (Pulp Boards)	Ton	154.89
	Others	Ton	241.69

04

Developing a People-Centered Culture to Foster First-Class Talent

Upholding the people-oriented philosophy, SANY Heavy Industry has built its employee care and development system by providing systematic training and fair promotion opportunities. We also safeguard employee rights and occupational health, and nurture a diverse and inclusive work environment. We organize rich cultural and sports activities to foster a warm and harmonious work environment and to help employees grow.



Compliant Employment

Prioritizing corporate compliance in employment, SANY Heavy Industry strictly complies with relevant laws and regulations and upholds the principle of fair employment. We also foster a diverse and inclusive work environment, committed to safeguarding employee rights and promoting our sustainable development.

Fair Employment

SANY Heavy Industry actively complies with laws such as the *Labor Law of the People's Republic of China*, the *Labor Contract Law of the People's Republic of China*. We update the *Employee Code of Ethics and Conduct*. In accordance with the core conventions of the International Labor Organization, we prohibit child labor and forced labor and ensure employees' rights to equality, diversity and non-discrimination.

The Company is dedicated to maintaining a fair and transparent employment environment, ensuring the full protection of all employees' rights and interests. We strictly protect employee privacy through the *Data Platform Privacy Policy* and prohibit any harassment to create a safe and respectful work environment for employees. During recruitment, the Company rigorously monitors the entry process, with designated personnel reviewing the entry list to ensure no child labor is employed, guaranteeing the legal and fair employment from the outset. Additionally, the Company clarifies labor remuneration, working conditions, various types of leave and overtime compensation, ensuring compliant employment and safeguarding employees' legitimate rights and interests.



In 2024, SANY Heavy Industry achieved a **100%** labor contract signing rate, with no major labor disputes, strikes, shutdown or major layoffs occurring.

Diversified Teams

The Company places high importance on attracting and developing talent, and expands our recruitment channels to include a diversity of sources. By hosting multiple online presentations, utilizing public information platforms, and organizing offline job fairs, we have successfully attracted a broad range of exceptional talents from various backgrounds, thereby continuing to strengthen our team.

Meanwhile, committed to creating an equal, inclusive, and diverse work environment, we respect female employees and accommodates the habits and needs of employees from different nationalities and ethnic groups.



By the end of the reporting period, SANY Heavy industry's workforce has covered over **40** ethnic groups, with **3,305** female employees and **12%** of women to the senior management team

The Company's Employee data in 2024

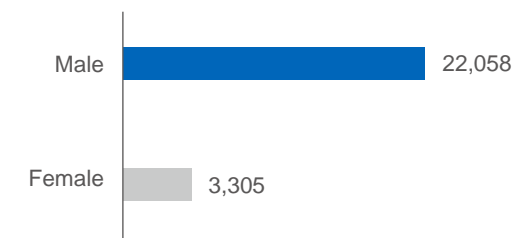


Total number of employees
on active duty (person)
25,363

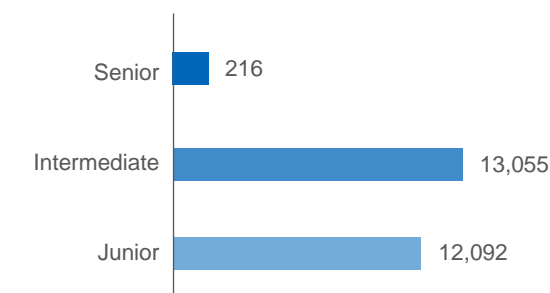


Representation percentage of
women in the executive team
12%

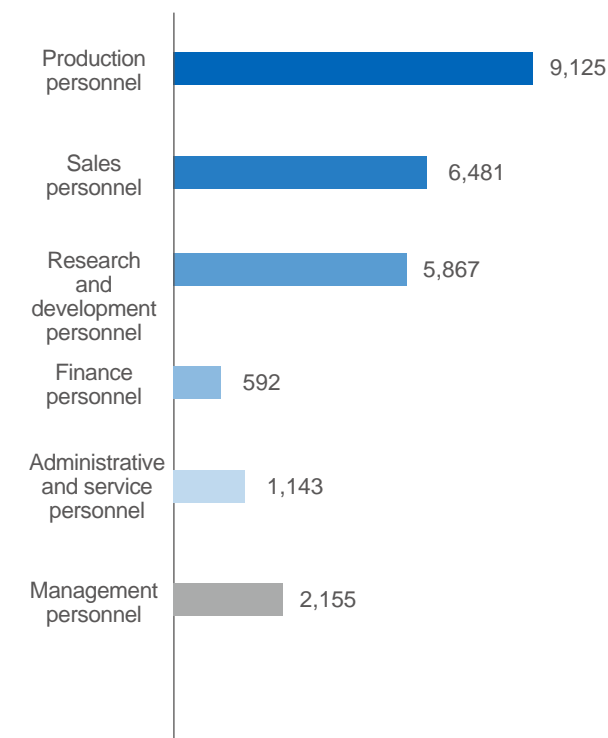
Number of employees by gender (person)



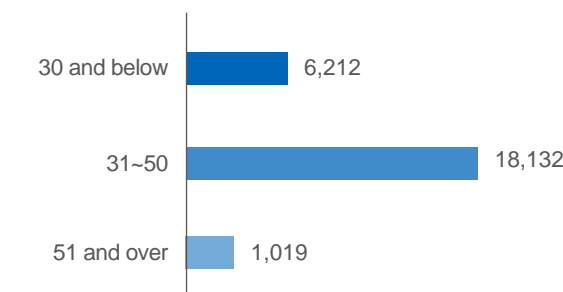
Number of employees by rank (person)



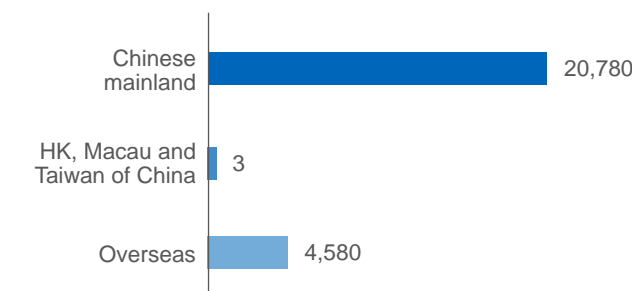
Number of employees by role type (person)



Number of employees by age (person)



Number of employees by region (person)



Talent Development

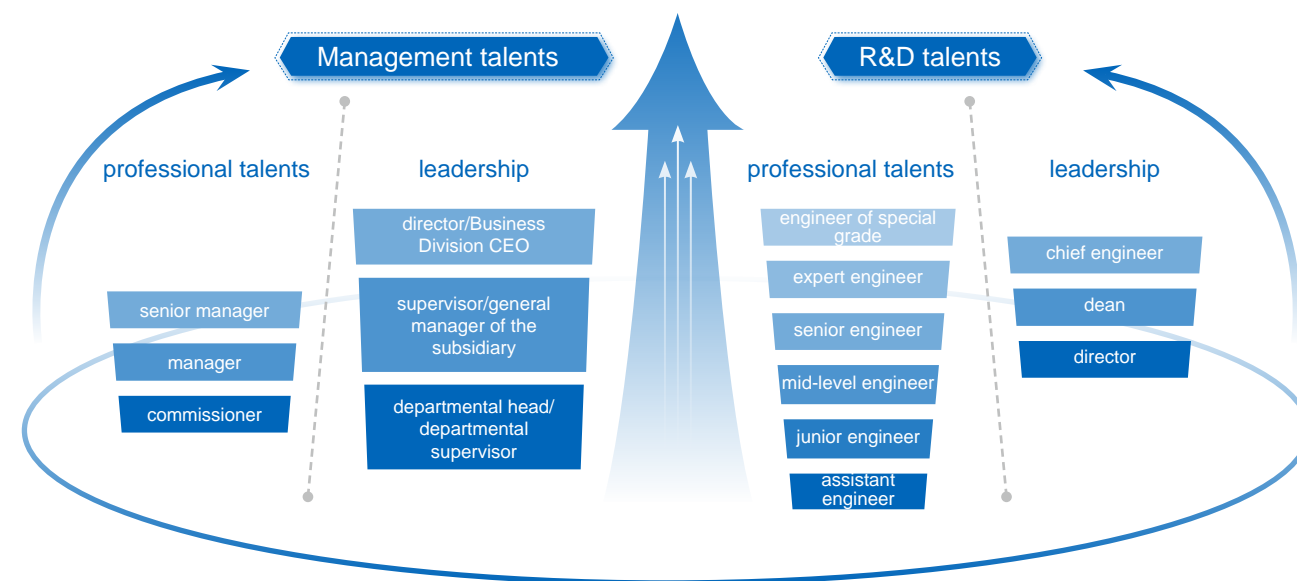
SANY Heavy Industry understands that talent is the core driving force for the development. The Company gives full play to employee potential through systematic training, fair promotion mechanisms, diversified compensation and benefits incentives and efficient performance evaluation systems. In this way, we help employees achieve their career goals and promote mutual growth for both the Company and individuals.

Employee Promotion

Adhering to fair and impartial principles of performance- and capability-based promotion, SANY Heavy Industry is committed to providing each employee with broad career paths and fair promotion opportunities to fulfill his professional aspirations.

In 2024, SANY Heavy Industry vigorously advanced its program of "Talent Management Transformation", achieving remarkable results. We established the Talent Development Committee, the training system, and the specialist management mechanism. We also optimized the promotion process and implemented the "Successor" program, training 400 successors throughout 2024. Meanwhile, the Company preliminarily planned the specialist management mechanism and updated policies such as the *Management Personnel Rank Management System*, the *Cadre Management System* and the *Policy of SANY Heavy Industry Career Promotion Channels*. The Company also updated talent training and promotion mechanisms for different positions and released four guidelines, including the *Promotion Management Standards* and the *Provisional Rules for the Talent Development Committee*. In this way, we further refined and standardized all aspects of talent management.

SANY Heavy Industry will gradually extend the mechanism of Talent Development Committee overseas and improve mechanisms for managing successors and specialist, laying a solid talent foundation for the Company's global expansion.



SANY Heavy Industry Career Promotion Channels

Compensation and Benefits

SANY Heavy Industry has striven to establish a fair, equitable, and competitively market-aligned compensation and benefits incentive system. Through diversified incentive mechanisms, the Company fully engage employee enthusiasm and creativity, fostering mutual growth for employees and the Company.

SANY Heavy Industry has established a tiered compensation incentive system covering all employees and created a floating one combining short-term performance incentives plus medium-to-long-term equity binding. We design annual performance bonuses in a differentiated manner based on rank and performance appraisal results. We also implement medium to long-term incentive plans equivalent to annual bonuses for key positions, R&D positions, business management and international business professionals.

2024 Employee Stock Ownership Plan

SANY Heavy Industry is committed to long-term principles, steadily advancing the employee stock ownership plan to share achievements. During the reporting period, the Company issued an ESOP worth approximately RMB **550** million for the core technical and managerial staff, directors, supervisors, and senior management, involving **6,241** participants. In addition, the Company will redeem the medium and long-term incentives granted in previous years at a rate of **20%** unlocked each year. We unlocked a total of RMB **230** million in 2024.

- Directors, supervisors, and senior management were granted shares worth RMB **20** million, representing **3.46%** of the plan.
- Middle management, key position holders, and core business (technical) personnel were granted shares worth RMB **570** million, accounting for **96.54%** of the plan.

In 2024, we implemented a refined strategy of different policies in line with local circumstances in overseas salary management to implement our "local operation" strategy, completing the formulation of remuneration policies for **15** core countries and regions. In addition, the Company has built an efficient and compliant global human resources management system. We released the *Local Employee Human Resources Management Guidebook* covering **21** countries, providing overseas employees with a clear compensation structure and incentive mechanism, as well as strong support for the Company's international development.

Performance Appraisal

Guided by high performance, high standards and high demands, SANY Heavy Industry has established a double-dimensional appraisal mechanism of results plus process. The Company has formulated the *Performance Management System* to improve the tiered and classified variable remuneration assessment. We classified post standards into four levels in terms of the annual performance bonus and innovatively implemented a "dual flywheel"¹⁸ assessment for management employees.

We have optimized the performance management system, broke down mid- and long-term goals through the "Goal Progression Chart" tool. We have established process control measures such as monthly performance disclosure and excellent case sharing. In terms of ESG performance appraisal, the Company incorporates relevant indicators such as environment, society, and internal governance into performance appraisal for management employees, with the appraisal rating directly related to compensation. At present, performance appraisal has covered all employees, among which key positions such as R&D and international marketing enjoy excess incentives. Performance of management employees is directly related to annual bonus distribution and occupational promotion, driving deep coordination between the Company's goals and personal performance.



"Dual Flywheel" assessment was implemented for management employees for the first time

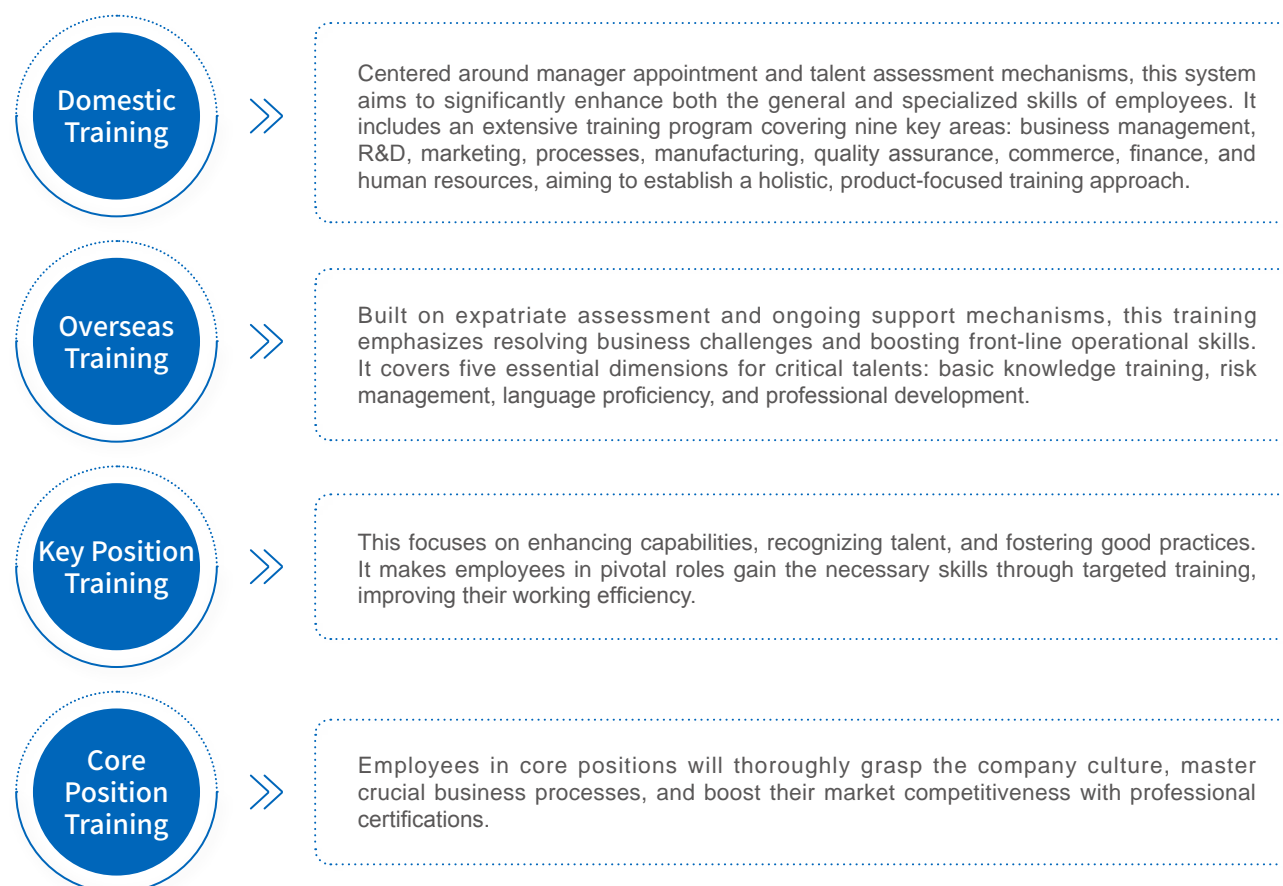
In 2024, SANY Heavy Industry implemented the "dual flywheel" assessment for the first time to improve the efficiency of the management team, which includes the performance flywheel and the long-term capability flywheel. At the end of the year, bonuses were calculated based on performance and weights. This process has promoted the dual improvement of performance and capability of management employees, achieving the goal of motivating and training the employees.

¹⁸ Dual Flywheel: The performance appraisal program implemented for management includes the performance flywheel and the long-term capability flywheel

Training and Development

Prioritizing employee growth, SANY Heavy Industry helps employees expand their capabilities toward a new stage of career growth by providing systematic training. The Company has formulated systems including the *Training Management System*, the *Curriculum Development Management Measures* and the *Training Points Management Regulations*. Meanwhile, centering on the strategy, SANY Heavy Industry attaches importance to the development of key positions, professional talents and overseas talents, building a complete talent training system. The Company continues to empower organizations and talents through systematic management and innovative initiatives.

SANY Heavy Industry's Talent Training System



The Company has established systems such as the *Instructor Management*, the *Lecturer Title Evaluation Management*, and the *Outstanding Lecturer Selection Management*. Internal trainers are trained to facilitate the smooth training through standardized management. Besides, the Company has formulated the *Professional Certification Management Measures* to guide employees in self-directed learning and obtaining certificates to enhance their specialized skills.



In 2024, **2,178** employees achieved job-related certifications, including **596** employees with external certifications, bringing the cumulative total to **13,251** certified individuals.

We have developed specific training plans tailored to different job responsibilities and levels, precisely addressing the needs of various employee groups. In this way, we train management, technical, marketing, international and skilled talents.



In 2024, SANY Heavy Industry held **485** online and offline training sessions for **27,658** cumulative participants, with a participation rate of **93.25%**. The average training duration per employee was **147** hours, totaling an expenditure of RMB **39** million.



Overseas training for the "seven categories of personnel" was conducted, achieving full coverage of key overseas groups.



For middle and senior managers, the Company offered manager training and experiential leadership training to enhance their strategic vision, decision-making ability, team leadership and cross-cultural management skills. In this way, we better drove organizational development and innovation.

SANY Heavy Industry Employee Training Data in 2024

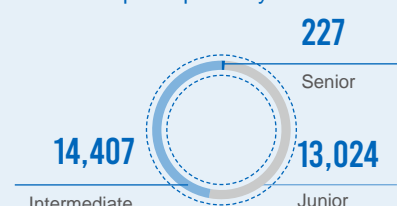
Number of cumulative participants

27,658

Number of cumulative participants by gender



Number of cumulative participants by rank



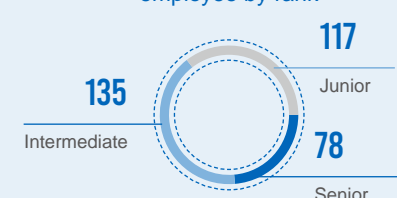
Number of hours of training per employee

147

Number of hours of training per employee by gender



Number of hours of training per employee by rank



Percentage of employees trained

93.25%



"Business Leadership Model (BLM)" Specialized Training Program

In 2024, the Company organized a specialized training program on the Business Leadership Model (BLM), aiming to enhance the strategic planning and execution capabilities of key position holders. The program focused on two topics: "Theories and Methods of Strategy Formulation" and "From Strategy Decoding to Strategy Execution." It was conducted across 54 offline sessions and 6 online sub-sessions, covering 29 cities globally, with active participation from 2,160 employees.



BLM Training Program



"IPD Management System" Specialized Training Program

In 2024, SANY Heavy Industry introduced the Integrated Product Development (IPD) concept and conducted a series of specialized training sessions on the IPD management system. The training program was conducted in the "weekly learning" form over six weeks, with three exams to assess results. A total of 6,932 employees participated. This program strengthened employees' understanding of the IPD concept, providing strong support for the Company's innovation management and process optimization.

Employee Benefits

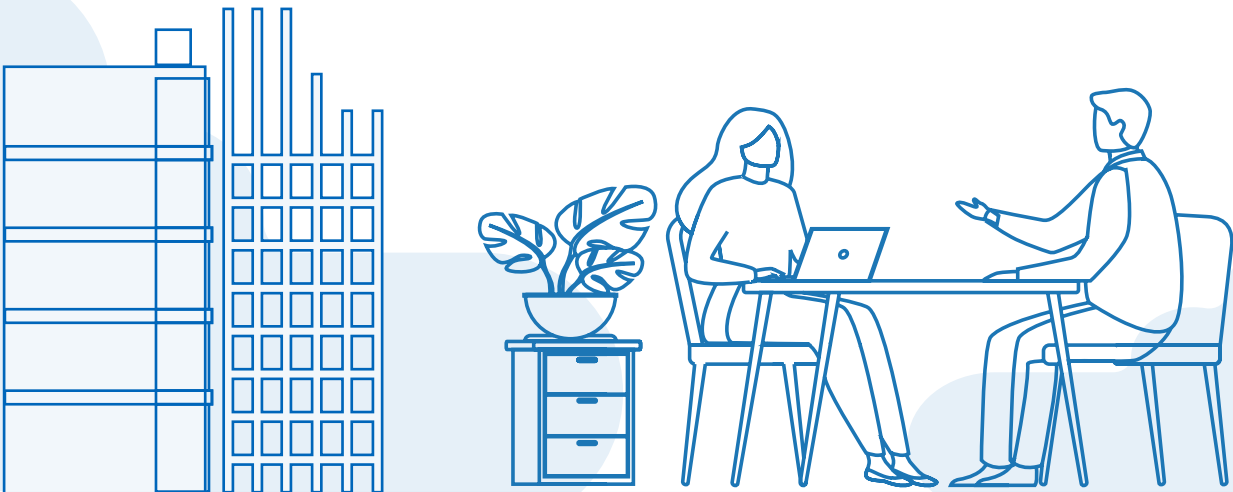
Committed to building an employee benefits system in all aspects, SANY Heavy Industry strengthens our care for and communication with employees. Through diverse cultural and sports activities, complete welfare system and efficient communication platform, we have created a warm and harmonious working environment to promote our high-quality development.

Employee Benefits

SANY Heavy Industry is dedicated to providing employees with a comprehensive and competitive benefits system. The Company further enriches employee benefits, beyond strictly complying with national laws and regulations and fully contributing to the mandatory five social insurance and one housing fund. The Company established the *Employee Benefits Management System*, offering a range of non-salary benefits to all employees beyond statutory safeguards, including but not limited to health care, life support and career growth support. In this way, we enhance employees' senses of accomplishment and belonging in all aspects.

SANY Heavy Industry Employee Benefits System in 2024

Benefits Category	Specific Content
Major Life Affair Benefits	Employees can apply for congratulatory or condolence payments for personal major affairs such as their own or immediate family members' birthdays, weddings, funerals or serious illnesses.
Paid Leave on March 1st	We offer paid annual leave and an additional day of paid leave on March 1st each year.
Clothing Benefits	According to the Work Clothing Management Measures, we provide free work attire to all employees.
Festival Gifts	On traditional festivals such as the Spring Festival, Dragon Boat Festival, and Mid-Autumn Festival, we distribute holiday gifts to employees as per the <i>Festival Materials Distribution Standards</i> , bringing festive warmth to our staff.
Employee Housing	Through the <i>Employee Housing Management Measures</i> , we address accommodation issues, providing dormitories for employees in Changsha, Beijing, Zhuhai and Kunshan.
Meal Subsidies or Free Restaurant	As per the <i>High Position Restaurant Dining Management Measures</i> , free dining services are provided for eligible employees, and we offer a monthly meal subsidy to all employees. Special attention is given to ethnic minority employees by offering halal food.
Allowances	A series of allowances are provided for expatriate employees and those on business travel, such as overseas allowances, expatriate allowances and travel subsidies.
Summer Benefits	During the summer months of June to August, heatstroke prevention items are distributed to all employees.
Transportation Benefits	Shuttle services are arranged between industrial parks for commuting employees. Special vehicles are provided on weekends and holidays.
	Vehicle expense subsidies and car purchase subsidies are offered to eligible employees.



Employee Care

With employee care as an important part of our corporate culture, SANY Heavy Industry fosters a warm and harmonious work environment by supporting employees in need and organizing recreational activities.



In 2024, we provided financial assistance to **398** employees in need to effectively help them overcome difficulties in life, totaling RMB **621,000** in condolence payment.

In 2024, the Company made great efforts to build diversified employee spaces and rest areas in workshops for frontline workers, providing a more convenient and comfortable work environment. To meet the needs of female employees, the Company has established "Mom's Station" to safeguard their rights and interests.

The Company actively organizes diverse cultural and sports activities to enrich employees' spare-time life and help them balance work and personal life.

During the reporting period, we have organized **710** employee activities, including fun sports festivals, singles social events, female employee salons and psychological workshops, with over **30,000** cumulative participants.



Organized **710** employee activities
with over **30,000** cumulative participants



Fun Sports Festival

On April 26, 2024, SANY Heavy Industry held the second employee fun sports festival to celebrate the International Labor Day and Youth Day, with nearly **500** employees participating. The festival fully demonstrated the employees' morality and mental outlook, enhancing their cohesion and sense of group honor.



Awarding Ceremony at the Fun Sports Festival



Fun Sports Festival



International Women's Day Themed Event

On March 8, 2024, SANY Heavy Industry celebrated International Women's Day with the "Women in Bloom" themed event. During the event, female employees participated in various activities such as floral crafts, Han Chinese Clothing garden tours and makeup salons, enjoying the festive atmosphere. This fully demonstrated our care and support for female employees.



"Women in Bloom on Women's Day" Themed Event

Employee Communication

SANY Heavy Industry has a well-established system of workers and staff congress and labor unions, effectively safeguarding employees' rights to information, participation, expression and supervision, while consistently protecting employees' rights to collective bargaining. Valuing communication with employees, we have established multiple systems including the *Rationalization Proposal Management Standard* and the *Chairman's Mailbox Complaint Management System*. We have also formed a working team for internal coordinated governance and built a coordination platform. We also set up the Chairman's Mailbox and Drip Mailbox to manage employee suggestions and feedback. In 2024, the Company introduced the *Suggestion/Complaint Management Measures for Overseas Employees*, further improving our employee communication system.



Employee Communication Measures

All Employees

- Conduct symposiums and establish a community platform for employee voices to respond to employee needs through multiple channels and safeguard their legitimate rights and interests.
- We conduct monthly service satisfaction surveys in the form of questionnaires, covering six modules: dining, accommodation, office environment, shuttle services, administrative digital systems and administrative activities.

Overseas Business

- Promote cross-cultural communication by organizing regular meetings, annual conferences and other activities to enhance understanding and cooperation among employees from different cultural backgrounds.

The Company values employee satisfaction in both life and work, fully addressing their needs. We conduct annual opinion surveys among employees and promptly analyze the results to take improvement measures. In 2024, we conducted an annual satisfaction survey on our atmosphere and work environment for key and management roles, with **17,268** participants and a satisfaction score of **92**.



The annual satisfaction survey
had **17,268** participants
The satisfaction score is **92**

ISANY Colleague Circle as "Voice Community" Platform

In 2024, SANY Heavy Industry launched the "ISANY Colleague Circle" platform, covering various sections such as corporate culture, employee voices, knowledge sharing, technical exchanges and emotional expression. The Company launched the "Voice Community" platform with **13** core functions. The platform effectively supported **154** online activities throughout 2024, with a total of **7,637** posts released and readership reaching **18** million. This provided employees with a space to express opinions and exchange ideas. By arranging employee feedback on the platform, the Company directly communicated with employees to further enhance their sense of participation and belonging.

Health and Safety

Consistently adhering to a philosophy of "putting people first, putting prevention first", SANY Heavy Industry places a high priority on the health and safety of employees, suppliers, and other stakeholders. The Company improves occupational health system across various dimensions including safety risk management, health screenings, safety equipment provision, and expansive training programs. The Company protects the health and safety of employees, contributing to the Company's stable growth.

Health and Safety Management

SANY Heavy Industry strictly complies with safety-related laws, regulations and conventions such as the *Law of the People's Republic of China on Work Safety*. We have established internal frameworks including the *HSE Management Manual*, the *HSE Incentives and Punishment System*, and the *Occupational Disease Prevention and Control Management System*, forming a well-established health and safety management system¹⁹. In 2024, the Company released frameworks such as the *Special Equipment Safety Management System for Production Areas*, the *Confined Space Management System* and the *6S²⁰ Standards for Production Areas*. In this way, we standardized safety management for confined space operations and enhanced the safe use and maintenance of special equipment, thereby improving overall safety in production areas.



In 2024, Out of **22** main engine and component manufacturing subsidiaries, **12** have passed external reviews and achieved ISO 45001 certification for occupational health and safety management systems, achieving a certification coverage rate of **45.45%**.

¹⁹ HSE Management System: Refer to Section 1 "Environmental Management" of Chapter "Driving Technological Innovation to Deliver First-Class Products" on in this report.

²⁰ 6S: Six management elements—Sort, Set in Order, Shine, Standardize, Sustain and Safety.

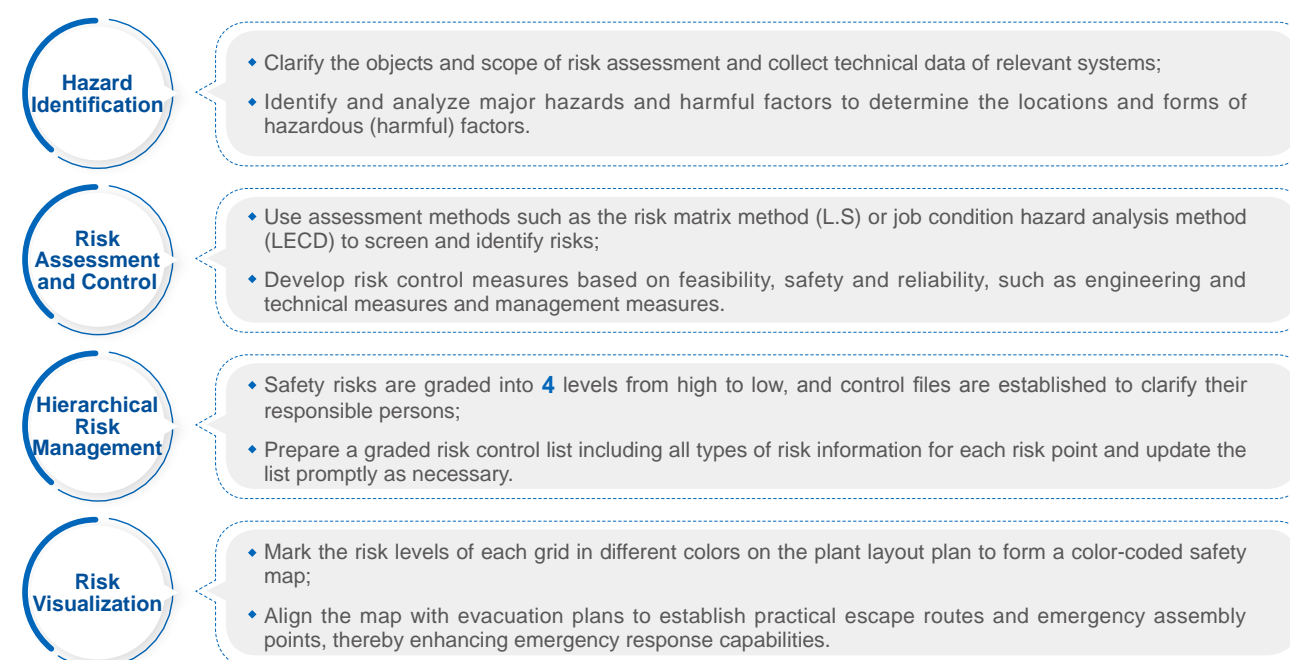
By setting health and safety performance objectives, the Company effectively prevents safety incidents. Key metrics include the thousand-person injury rate, accident rate and occupational disease incidence. Meanwhile, executive compensation is directly tied to health and safety performance. We regularly review HSE performance, continuing to strengthen the awareness and commitment of management at all levels to the importance of health and safety.

Health and Safety Targets and Performances

Indicator	Targets	Performances
An injury rate in a thousand workers ²¹	< 2‰	1.78‰ Achieved
Completion rate of three-level safety education training	100%	100% Achieved
Occupational disease injuries	/	0
Occupational health examination compliance	/	100%

In terms of safety risk management, the Company has formulated the *Safety Risk Identification and Graded Control System*, and established a risk management structure with the safety leadership team as the core. We have defined graded criteria and management measures from low to major risks, strengthening the identification, assessment and control of major risks. Besides, the Company has developed a series of strict internal standards and procedures to systematically carry out safety risk identification, assessment and control, including hazard identifications, risk assessment and control, graded risk management and risk visualization. This effectively minimize the frequency of safety incidents.

Safety Risk Management Process



²¹ An injury rate in a thousand workers(‰) = Number of staff injured by the work/total number of staff × 1,000, number of staff injured by work is the sum of deaths and staff with slight or severe injuries

SANY Heavy Industry has established the *Stakeholder Safety Management System* to standardize stakeholders' behavior during production and operations. Additionally, the Company signs the *5S+ Safety Management Agreement* with stakeholders to ensure that the activities in SANY Heavy Industry area comply with HSE standards, reducing potential injuries. The Company implements whole-process safety management for stakeholders, conducting basic health and safety training before entry. Business units regular inspections and hazard identifications. The Company also conducts whole-process bystander supervision for high-risk operations and requires stakeholders to hold regular safety meetings. The Company innovatively applies a digital information platform to record whole-process health and safety assurance data of stakeholders, effectively reducing safety risks of the supply chain.

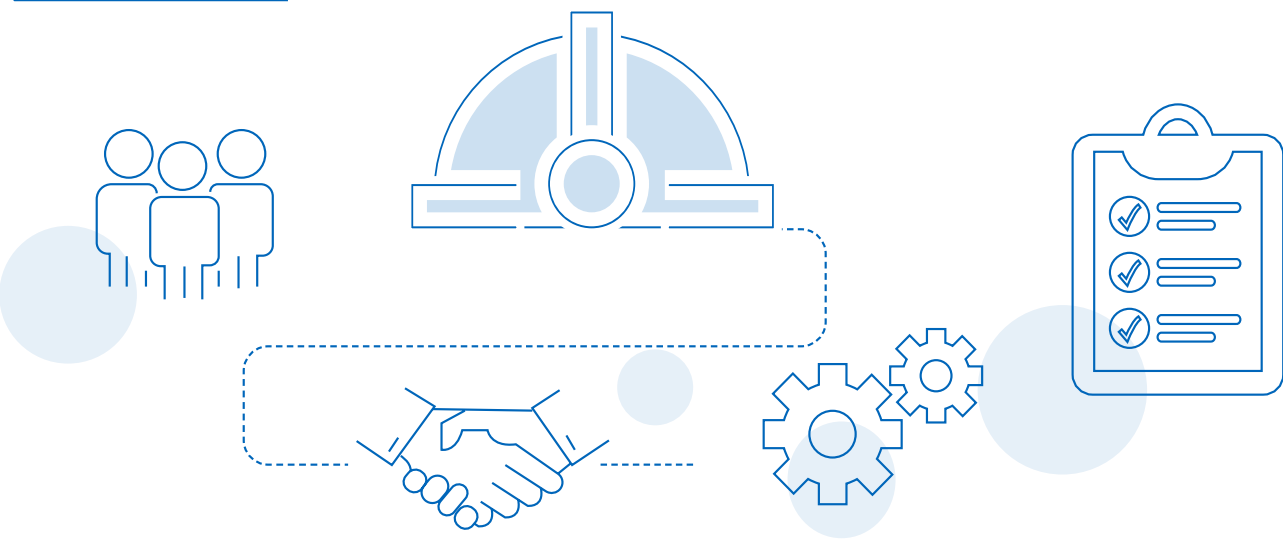
Health and Safety Assurance Measures for Stakeholders



The Company adopts comprehensive management measures, including occupational disease prevention, operational guidelines, safety risk assessments, provision of safe environments and equipment, and employee occupational health checkups. This effectively prevents occupational diseases. We've established mental health care services that provide all employees with free psychological counselling. This initiative helps them manage emotional challenges and stress, both in the workplace and in their personal lives, thus protecting their physical and mental health.

Occupational Health and Safety Initiatives

Occupational Disease Prevention	Rigorous application of occupational health "simultaneous consideration" ²² protocols for new, altered, or expanded projects, implementing pertinent occupational disease prevention efforts.
Standard Operational Protocols	Employees must adhere strictly to labor discipline, safety regulations, and operational guidelines.
Health and Safety Risk Assessments	Performed by trained teams, involving employee or representative participation, clearly stating the right to refuse tasks that threaten life or health.
Provision of a Safe Environment	Ensuring a healthy and safe workplace and living environment that meets legal standards for drinking water, sanitation, fire safety, lighting, and ventilation, and taking adequate precautions to minimize workplace hazards.
Safety Equipment Provision	Supplying protective gear that meets standards tailored to specific job conditions.
Health Screenings	Systematically organizing and performing health screenings, offering occupational health examinations before, during, and after employment for those exposed to occupational hazards, and maintaining individual records.
Psychological Support	Implementing an Employee Assistance Program (EAP), engaging professional counseling services to provide psychological support to employees.



²² Simultaneous Consideration: occupational health and safety initiatives are simultaneously designed, constructed, and put into production and use.

Psychological Workshop Activities

Aiming at enhancing employees' psychological resilience, SANY Heavy Industry invited psychological experts to conduct a lecture themed "Stress Management in Career Growth and Planning" in 2024. Through expert guidance and peer discussions, employees learned to better manage stress from work and life, improving overall mental health.



Psychological Workshop Activities

Safety Training

SANY Heavy Industry places high importance on enhancing employees' safety awareness and skills, conducting safety training to ensure production safety. The Company has established a complete safety training system. By introducing an evaluation and incentive scheme, we have effectively improved employees' safety awareness and skills to strengthen the defense for safe production.

In 2024, the Company organized theme training on special equipment safety and fire prevention. A cumulative of **176,441** employees participated in health and safety training, accumulating **187,076** training hours. Exams on work safety accountability system were conducted, with **26,000** cumulative participants and a passing rate of **99.2%**. Those who failed were retrained and **passed** the make-up exams.

SANY Heavy Industry Safety Training in 2024

Internal

- Onboarding Training:
- ♦ A minimum of 4 hours of group-level On-boarding safety training and testing.
- Three-Level Safety Training:
- ♦ Company-wide, workshop, and team On-boarding includes no less than 24 hours of safety training.
- On-the-Job Safety Training:
- ♦ Establish annual safety training plans, and conduct monthly safety theme training, covering topics such as mechanical injuries, electrical injuries, confined spaces, fire prevention, and occupational health.

External

- Certification Training:
- ♦ Use of an HSE digital platform to establish a certification list, ensuring 100% implementation of external training certifications.
- Expert Training:
- ♦ Inviting safety experts from various local administrative law enforcement bureaus and safety expert pools to conduct diverse and rich safety and health topic training.

Emergency Drills

To effectively respond to unexpected accidents in production safety, SANY Heavy Industry has formulated the *Emergency Preparedness and Response Management System*, clarifying key aspects such as risk identifications, territorial management, integrated coordination and dynamic management. Based on different types of accidents and specific locations, the Company has developed targeted plans and measures to ensure scientific and efficient emergency responses. Additionally, we focus on preparing emergency supplies and building teams. We conduct 1 comprehensive plan and 1 special drill annually, and 1 on-site emergency response drill every six months. In this way, we have effectively prevented, minimized and controlled the impact of unexpected accidents in production safety.



Special Training Program on Special Equipment Safety

In September 2024, SANY Heavy Industry conducted a special training program on "Capability Enhancement for Chief Safety Officer and Safety Officers", inviting special equipment experts to interpret relevant regulations. The training systematically explained regulatory requirements and management methodologies with actual corporate cases. Through case studies and interactive discussion, participants improved their capabilities in hazard identifications, standardized operations and emergency response.



Safety Training Scene

05

Giving Back to Society to Make First-Class Contributions

Adhering to the philosophy of "responsibility for nation outweighing corporate interests," SANY Heavy Industry actively gives back to society. To make remarkable contributions in areas such as public welfare, rural revitalization and social rescue, the Company conducts activities in public welfare, education, volunteer service and rescue, demonstrating our social responsibility.

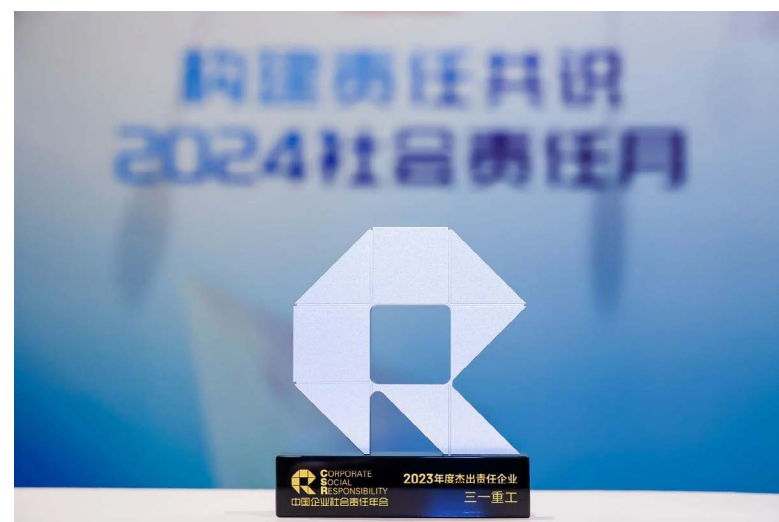


Philanthropy

SANY Heavy Industry promotes social well-being and spread warmth through philanthropy. We engage in diverse public welfare practices and motivate employees to get involved, providing effective assistance to society and contributing to harmonious development of society.

Public Charity

Actively responding to the national strategy of shared wealth, through SANY Foundation, we have established a system of "Scientific Public Welfare", focusing on green, low-carbon initiatives and community-friendly projects. The Company supports social welfare through cash and material donations. With various nonprofit organizations, we advance core projects of explorer education, venture philanthropy and technical rescue. We have also implemented robust employee volunteer mechanisms, combining online platforms with offline activities. We launched campaigns such as book donations for education, disability assistance and anti-fraud awareness. These efforts effectively boost employee engagement and foster a strong philanthropic culture.



16th China Corporate Social Responsibility Annual Conference – Outstanding Responsible Enterprise Award

In 2024, the Company collaborated with government, businesses and schools to raise public awareness of social issues and foster a sense of public service. During the reporting period, SANY Heavy Industry received the award of 16th "2024 Outstanding Responsible Enterprise."



In 2024, SANY Heavy Industry donated approximate RMB **18.16** million to various social welfare funds, with cumulative donations exceeding RMB **340** million over the years. In 2024, we organized **143** public welfare events, contributing **2,739** hours of public service.

SANY Heavy Industry organized a series of environmental protection activities to enhance employees' recognition and practice of low-carbon and eco-friendly life concepts. Additionally, the Company conducted parent-child nature education activities such as "SANY Nature Weekend" and "Rural Study Tours" in multiple industrial parks, fostering awareness of ecological environmental protection in the next generation.



Pick-up Marathon Activity



Parent-Child River Cleaning Activity



"SANY Nature Weekend" Activity



Tree Planting Activity in Spring



"Walk Together" Sports Charity Campaign

In November 2024, SANY Heavy Industry partnered with WeChat Sports to launch the "Walk Together" sports charity campaign, engaging **50** running groups nationwide with **3,588** participants and donating cumulative over **600** million steps. Through the campaign, the Company promoted a low-carbon lifestyle, demonstrating the social responsibility in sustainable development.



Charity Run

Volunteer Activities

SANY Heavy Industry practices the concept of "Scientific Public Welfare" and gives full play to the value of kindness. Through the "SANY Volunteer Service Support Program," the Company established the "SANY Public Welfare" platform, providing employees with easy access to volunteering and forming a complete volunteer service system.



As of December 31, 2024, the "SANY Public Welfare" platform has boasted **24,220** registered volunteers, comprising **62** volunteer teams. In the same year, we organized **201** public welfare events in **13** cities, collectively contributing **5,241.7** hours of volunteer service



During the reporting period, A total of **1,371** employee volunteer engagements were recorded serving **2,121** people.

Rural Revitalization

SANY Heavy Industry has actively advanced rural revitalization efforts based in Daotong Village, Lianyuan City, Hunan Province. These efforts span multiple areas, including volunteer services, healthcare and elderly care, cultural development, and educational revitalization. The Company adheres to the principles of farmer-centered development, joint consultation, co-construction and shared benefits, and comprehensive revitalization. It employs multiple approaches to actively engage farmers in rural construction and governance. Through initiatives such as establishing the Daotong Agricultural Demonstration Park, promoting the development of volunteer teams, founding the Daotong Academy, and organizing cultural activities, the Company aims to create a rural community that is healthy and elder-friendly, dynamic and business-conducive, and pleasant and livable.



In 2024, the Daotong Volunteer Service Team in Daotong Village demonstrated strong vitality, expanding the membership to **85**. Both enthusiasm for service and participation levels increased significantly, with the team contributing a total of **3,334** volunteer hours to the village over the course of the year. Additionally, **167** meetings and events were held in the village, setting a new record with a cumulative attendance of **5,411** participants.



Daotong Volunteers Carry out a "River Patrol" Initiative



During the reporting period, SANY Heavy Industry was recognized for the rural revitalization initiatives in Daotong Village, Lianyuan City, Hunan Province, and was selected as one of the Best Practice Cases for Rural Revitalization among Listed Companies in 2024.

Infrastructure Revitalization

Improving infrastructure is the cornerstone of achieving comprehensive rural revitalization. Only by strengthening the foundation of infrastructure can the comprehensive development of rural areas be accelerated. However, rural infrastructure still faces many shortcomings, which to some extent hinder the prosperity and progress of these areas. SANY Heavy Industry actively fulfills the social responsibilities by leveraging the strengths and taking the initiative to participate in infrastructure development in Daotong Village and Huangsha Village.

In 2024, we planned and funded a series of projects, including the Huangsha Village Upgrading and Renovation Project and the Daotong Village Micro-Fund Rural Revitalization Project. These initiatives are designed to eliminate barriers to rural development and deliver meaningful improvements to the lives of the residents.



Enhancing Infrastructure and Living Environment for a More Comfortable and Livable Village Life

In 2024, the SANY Foundation funded and supported the implementation of a residential environment improvement project in the Shichong group of Huangsha Village, Yanglousi Town, Linxiang City. With a total investment of approximately RMB 1.985 million, the project completed the construction of internal roads, drainage ditches, retaining walls, footpaths, guardrails, and landscaping works. These upgrades significantly improved the village's living environment and enhanced the quality of life and sense of well-being among the residents.



Newly Completed Roads and Footpaths

Healthcare and Elderly Care

The growing aging population in rural China presents new challenges for both rural economic development and elderly care services. SANY Heavy Industry is committed to enhancing rural healthcare services and improving the quality of life for the elderly. Through the SANY Foundation, we have built an integrated online and offline healthcare and elderly care system, carried out age-friendly home renovations, and established community dining halls for seniors—providing comprehensive health services for elderly residents in rural areas.



Integrating Online and Offline Services to Launch Smart Elderly Care

In 2024, the SANY Foundation, leveraging the offline medical and elderly care center, provided regular in-person, personalized services to seniors. Combined with online smart elderly care, the foundation offered home-based elderly care services to **630** senior residents, totaling **18,116** service visits. It also provided focused care to 44 individuals, with **5,568** visits, and conducted home visits for over **200** patients with chronic conditions, totaling **6,816** visits. The satisfaction rate for hypertension control reached **92%**. At the same time, this year, the promotion of the Ping'an Tong system enabled remote health monitoring and emergency rescue, effectively improving service efficiency and coverage. A total of **13** emergency rescue responses were carried out, all within **15** minutes, ensuring the safety of the elderly in a highly efficient manner.



"Smart Medication Safety" Elderly Care Group Activity



Offline Medical Center



Age-Friendly Home Renovation Project

In 2024, the SANY Foundation, in collaboration with the Civil Affairs Bureau of Lianyuan Municipality, completed renovations for **23** households in extreme financial hardship. The renovations included the installation of handrails, anti-slip treatments, and the provision of assistive devices, effectively enhancing the convenience and safety of elderly residents' lives, earning widespread praise.



Establishment of a Senior Mutual Aid Dining Hall

In the second half of 2024, the SANY Foundation established a Senior Mutual Aid Dining Hall to provide meal services for **20** elderly residents living alone in the village. The dining hall ensures balanced nutrition with regularly updated menus. It not only addresses the dining needs of the elderly but also fosters communication and mutual assistance among neighbors, strengthening community cohesion.



"Hunan's Heartwarming Care for Seniors" Event

Cultural Revitalization

Cultural revitalization, as a key component of rural revitalization, aims to explore and preserve the essence of rural culture while integrating modern elements, injecting new vitality into rural development. We actively participate in various rural cultural activities, promoting traditional rural culture, and effectively enhancing the cohesion and creativity of rural communities.



Hosting the 3rd China Farmers' Harvest Festival

In September 2024, Daotong Village, one of the SANY Foundation's rural revitalization project sites, successfully hosted the 3rd Harvest Festival. The event featured a rich variety of cultural activities, including local folk music and dance, an intangible cultural heritage costume show, an agricultural product runway show, and a fun sports day. Villagers participated enthusiastically, shared traditional delicacies, and showcased the achievements of the Daotong School's bamboo weaving course. The festival significantly strengthened community cohesion and vividly reflected the "people-centered" philosophy and practical outcomes of rural revitalization.



The 3rd China Farmers' Harvest Festival in Daotong Village



Daotong School – Revitalizing Rural Education with New Energy

In 2024, the SANY Foundation supported Daotong School in delivering **98** classes throughout the year, benefiting a cumulative of **1,208** participants. Of these sessions, **10** were taught by guest experts from outside the village, enriching the villager's cultural learning experience. Integrating local intangible cultural heritage, the school developed a specialized "Daotong Bamboo Weaving Curriculum", which was delivered in **28** sessions and awarded First Prize for Specialized Teaching by the Education Bureau of Lianyuan Municipality. The Daotong School project was also recognized by the Hunan Social Workers Association as an "Outstanding Community Social Work Case".



Daotong School's Rural Public Lecture Series

Industrial Revitalization

The SANY Foundation leverages local resources and innovates industrial development models to stimulate rural economic vitality, making it an effective approach to advancing rural revitalization. Through the implementation of targeted strategies, we promote industrial upgrading, laying a solid foundation for sustainable rural development and achieving prosperity in rural economies and social progress.



A New Path for Industrial Development in Daotong Village

In 2024, the SANY Foundation leveraged the natural resources and cultural heritage of Daotong Village to explore an educational tourism model. We designed study manuals, created study routes, and developed light cultural tourism experiences and products, such as farming experiences, intangible cultural heritage bamboo weaving activities, and Daotong investor real-life games. We successfully hosted **6** educational activities, generating over **50,000** yuan in revenue. Additionally, by producing promotional videos like *Sweet Hometown*, we showcased the results of the project's development, expanded external visibility, and injected new vitality into Daotong Village's industrial revitalization, contributing to the effectiveness of rural revitalization.



"Come and Join Daotong" Tour Event

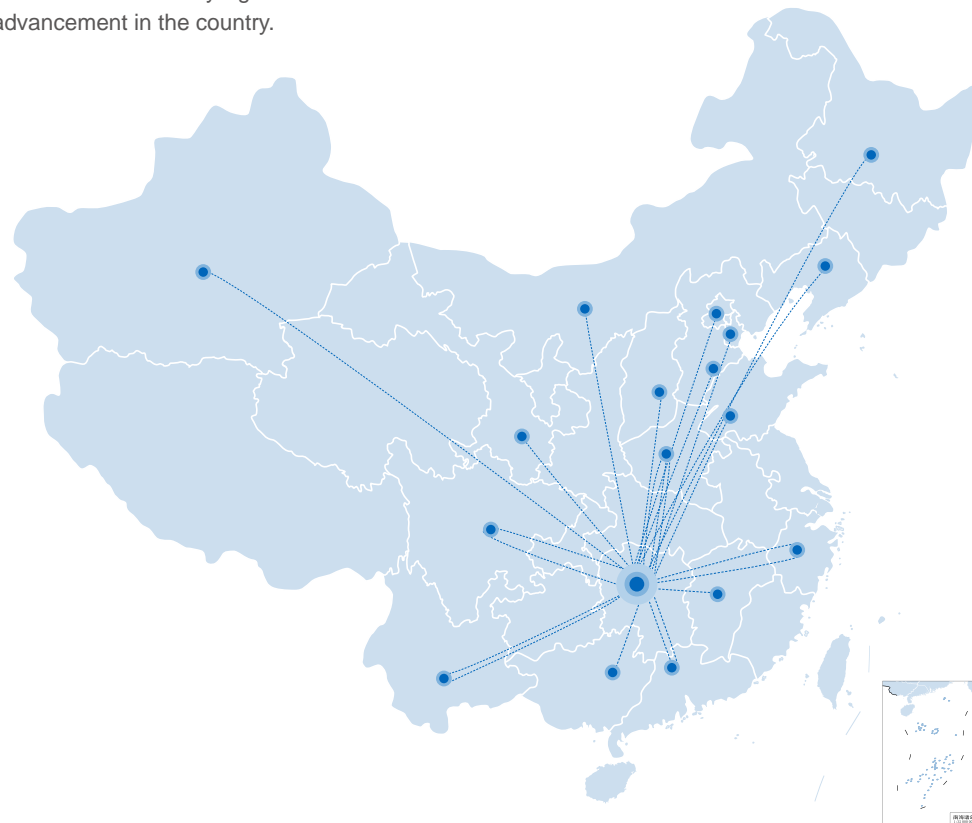


Educational Revitalization

SANY Heavy Industry views educational revitalization as the core of rural revitalization. By integrating resources, we have built a multifaceted revitalization system that includes the construction of educational facilities, teacher training, and curriculum development. Centered around the "Wala Wala Explorer Education" project, we are dedicated to cultivating the science, technology, and engineering literacy of rural children aged 6-12. Through curriculum development, teacher empowerment training, and collaboration with social resources, we aim to enhance the growth-oriented and creative thinking of children in underdeveloped educational areas, thereby strengthening the foundation for cultivating technological talents and solidifying the foundation for technological advancement in the country.



Rural Students Exploring Course Materials



"Wala Wala Explorer Education" Project Coverage Map



In 2024, the Tinker Education program received a total of **741** registrations, trained **412** Tinker Education teachers, and provided technical engineering introduction courses to **18,291** children. The teacher satisfaction rate reached **9.23/10**.



Tinker Education Challenge: Leading Rural Children to the International Science and Innovation Stage

In the summer of 2024, the Wala Wala Tinker Education program launched the "Future Creators Invention Challenge", focusing on underdeveloped regions in central, western, and eastern China. **10** teams were selected to enter the finals. During the finals, **21** rural children were invited to attend the Invention Convention China (ICC) and participated in the "Dream Community" themed workshop alongside young people from countries such as South Korea and Italy. They also showcased over **30** student works at the themed booth "The Grand Fleet." The event engaged more than **2,000** young people in interactive activities, allowing them to experience technological engineering practices. Among them, **6** teams of students and teachers from Henan, Hebei, Guiyang, and Hunan stood out for their creativity and inventive ideas. They earned the opportunity to participate in the "Future Creators – Great Power Inventions" science and engineering study tour, visiting SANY Heavy Truck (Changsha), SANY Heavy Truck (Ningxiang), and Shaoshan Wind Energy Industrial Park. This project broke down geographical barriers, offering rural children a science education experience aligned with international standards, and promoted the concept of "Building like Engineers" to take root.



2024 Invention Convention China (ICC) Event Site



"Future Creators" Winning Teams Visit SANY Industrial Parks for Study Tour



Creating a New Classroom for Engineering Career Inspiration

In 2024, SANY Heavy Industry integrated educational resources to establish a multi-functional engineering career inspiration classroom, combining exhibition, hands-on experience, instruction, and practical application. Young students are invited to visit digital smart factories, attend lectures by engineers, and operate intelligent equipment firsthand. This innovative initiative not only enriches students' learning experiences but also promotes early career awareness in China's engineering machinery industry.



"SANY Talks" Public Career Inspiration Classroom



Visit to an Offline Smart Venue

Social Rescue

SANY Heavy Industry actively engages in social rescue efforts, driven by technology, and has initiated a human-machine collaboration rescue mechanism to build a professional and efficient rescue system. We have undertaken several initiatives in the field of social rescue, including participating in the formulation of universal engineering machinery rescue standards, establishing grassroots rescue teams, enhancing the capabilities of corporate rescue teams, and actively responding to rescue efforts both domestically and internationally. SANY Heavy Industry' aim is to advance the standardization process of engineering machinery rescue operations.

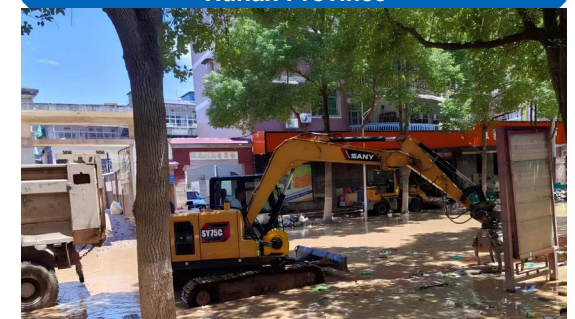


In 2024, SANY Heavy Industry responded to disasters for a total of **150** days, with **100** pieces of equipment mobilized and **60** personnel dispatches made.

Flood Relief in Zixing, Chenzhou, Hunan Province



Flood Relief in Pingjiang, Yueyang, Hunan Province



Snow and Ice Removal Operation in Changde, Hunan Province



Major Flood Rescue Operation in Meizhou, Guangdong Province



Mine Clearance Operation in Cambodia



Post-Typhoon Yagi Restoration in Haikou and Wenchang, Hainan Province





SANY Heavy Industry Supports Cambodia in Conducting a Public Landmine Clearance Campaign

SANY Heavy Industry has deepened the collaboration with CMAC, actively conducting landmine clearance in areas such as Banteay Meanchey Province in Cambodia. After multiple on-site inspections and equipment process research, the cooperation plan was introduced during the *Siem Reap-Angkor Summit on a Mine-Free World*. Ultimately, both parties formally signed a public landmine clearance project agreement, supporting Cambodia's mine clearance efforts and community reconstruction, and advancing the goal of a landmine-free future. This initiative highlights SANY Heavy Industry's commitment to international public welfare and promotes regional peace and development.



Cambodia Landmine Clearance Assistance Project



Major Flood Rescue Operation in Meizhou

In 2024, Meizhou was hit by a major flood. SANY Heavy Industry quickly dispatched a professional rescue team to areas such as Shizhai Village in Jiaoling County. The rescue team overcame numerous challenges, successfully clearing several life-saving routes, benefiting over **30** households and effectively alleviating the traffic difficulties in the disaster-stricken areas, ensuring the smooth delivery of rescue supplies. In this operation, SANY Heavy Industry responded swiftly to the disaster, ensuring the basic livelihood of the villagers and fully demonstrating the Company's social responsibility.

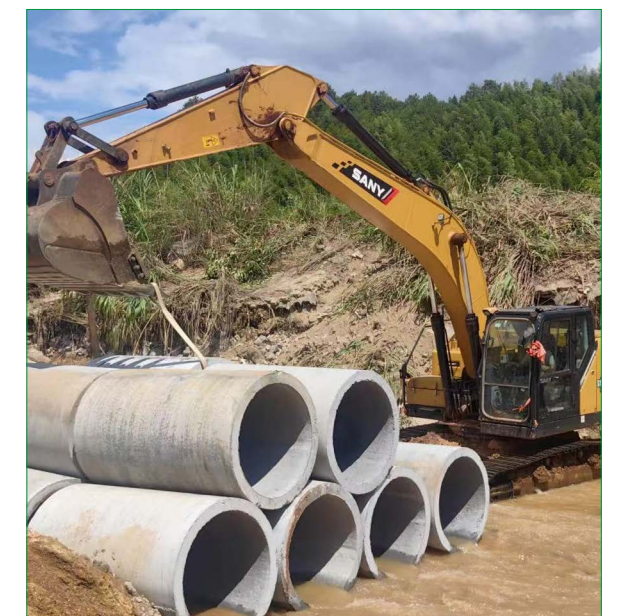


Major Flood Rescue Site in Meizhou

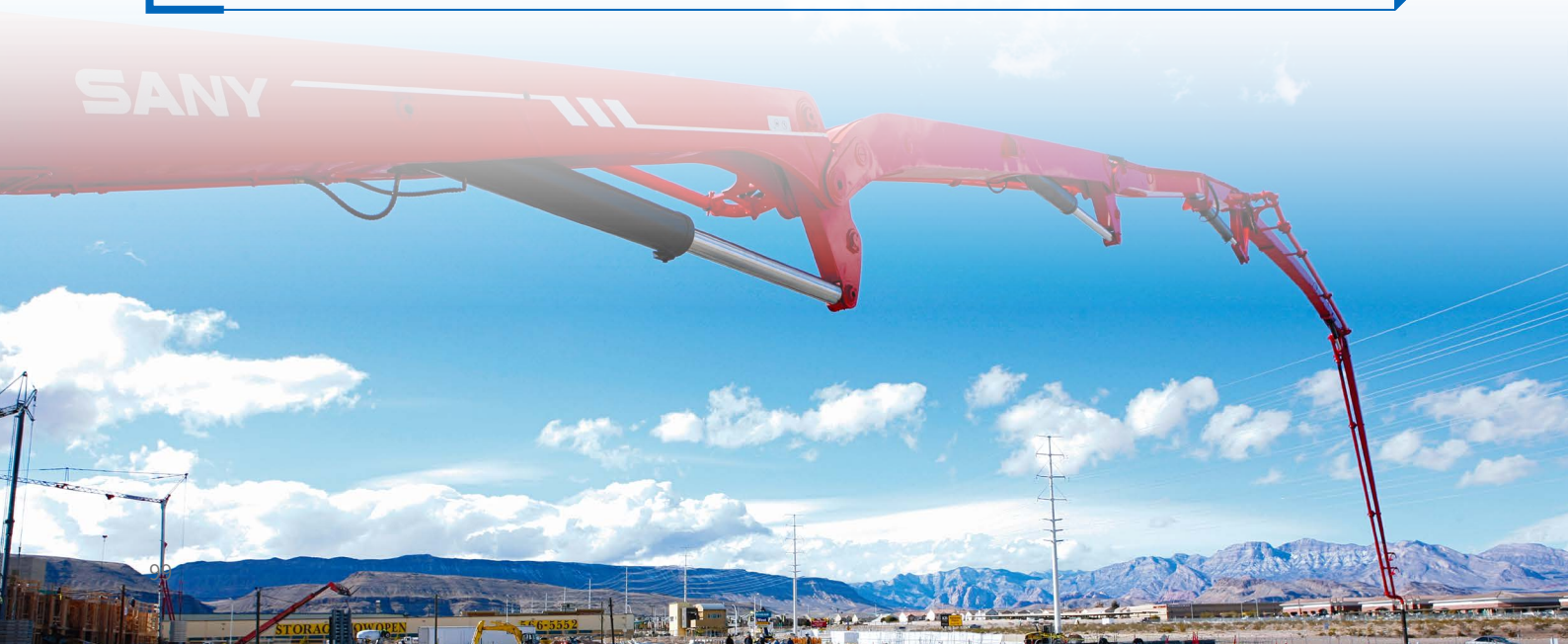


Efficient Rescue Operation in Zixing During Heavy Rainstorm

In August 2024, a sudden heavy rainstorm struck Zixing, Hunan. The SANY Foundation Rescue Team swiftly deployed to Bamian Mountain Yao Ethnic Township for disaster relief, thoroughly clearing river debris and efficiently addressing landslides and road blockages to ensure normal traffic restoration. During this rescue operation, we responded promptly, organizing professional teams to carry out large-scale dredging work, unblock drainage systems, and restore normal living conditions in the community. At the same time, we urgently constructed an emergency bridge to resolve the traffic disruption caused by the flooding, reestablishing the connection between Lijia Village and the outside world. This measure not only ensured villagers' daily travel and supply of living materials but also provided crucial support for the transportation of rescue supplies and the evacuation of residents, significantly reducing the impact of the disaster on residents' lives and property losses.



Zixing Heavy Rainstorm Rescue Site



Quantitative Performance Table

Environmental Category

Indicator Name	Unit	2024
ISO14001 environmental management system certification coverage rate	%	54.50
Major environmental pollution incidents	Number	0
Air Pollutants		
Total waste gas emissions	Cubic meter	14,044,956,884.64
SO ₂ Emissions	Ton	2.10
NO _x Emissions	Ton	33.28
VOCs (volatile organic compounds) emissions	Ton	114.66
Total soot emissions	Ton	89.10
Water Pollutants		
Total water discharge	Ton	405,179.10
Biochemical oxygen demand (BOD)	Kilogram	4,681.51
Chemical oxygen demand (COD)	Kilogram	27,149.82
Suspended solids (SS)	Kilogram	6,970.66
Ammonia nitrogen (NH ₃)	Kilogram	3,793.42
Solid Waste		
Hazardous waste	Kilogram	5,123,021.10
Total general industrial solid waste discharge	Ton	156,955.45
Energy/Resource Consumption		
Purchased electricity	kWh	474,043,760.50
Gas	Cubic meter	31,045,971.00
Gasoline	Liter	3,450.00
Clean Energy (Photovoltaic Power Generation)	kWh	76,072,306.10
Diesel	Liter	998,699.00
Combined energy consumption	tce	101,035.83
Municipal water supply volume	Ton	3,103,037.00
Greenhouse Gas Emissions		
Scope 1: Direct greenhouse gas emissions	tCO ₂ e	69,757.62
Scope 2: Indirect greenhouse gas emissions	tCO ₂ e	254,371.88
Total greenhouse gas emissions	tCO ₂ e	324,129.50
Packaging Material Consumption		
Packaging material usage	Ton	58,690.80

Social Category

Indicator Name	Unit	2024
Employee Overview		
Number of employees at the parent company	Person	2,581
Number of employees at main subsidiaries	Person	22,782
Total number of employees on active duty	Person	25,363
Number of retired employees for whom the parent company and main subsidiaries need to pay expenses	Person	0
Number of employees by gender		
Male	Person	22,058
Female	Person	3,305
Number of employees by rank		
Senior	Person	216
Intermediate	Person	13,055
Junior	Person	12,092
Number of employees by role type		
Production personnel	Person	9,125
Sales personnel	Person	6,481
Technical personnel	Person	5,867
Finance personnel	Person	592
Administrative and service personnel	Person	1,143
Management personnel	Person	2,155
Number of employees by age		
30 and below	Person	6,212
31—50	Person	18,132
51 and over	Person	1,019
Number of Employees by Region		
Chinese mainland	Person	20,780
Employees from HK, Macau and Taiwan of China	Person	3
Overseas Employees	Person	4,580
Representation percentage of women in the executive team	%	12%

Indicator Name	Unit	2024
R&D Personnel		
Total number of R&D personnel	Person	5,867
Number of R&D personnel by age		
30 and below	Person	3,617
30-39	Person	980
40-49	Person	1,146
50-59	Person	88
60 and over	Person	36
Development and Training		
Number of cumulative participants	Participant	27,658
Number of cumulative participants by gender		
Male	Participant	24,213
Female	Participant	3,445
Number of cumulative participants by rank		
Senior	Participant	227
Intermediate	Participant	14,407
Junior	Participant	13,024
Number of hours of training per employee	Hour	147
Number of hours of training per employee by gender		
Male	Hour	119
Female	Hour	117
Number of hours of training per employee by rank		
Senior	Hour	78
Intermediate	Hour	135
Junior	Hour	117
Health and Safety		
ISO45001 occupational health and safety management system certification coverage	%	45.45%
Occupational health and safety incidents	Incident	69
Occupational health check-up coverage rate for job positions	%	100%
Number of cumulative participants in health and safety training	Participant	176,441
Total health and safety training hours	Hour	187,076

Indicator Name	Unit	2024
Supply Chain Management		
Total number of suppliers	Number	3,901
Suppliers by procurement category		
Number of production suppliers (Procurement of raw and auxiliary materials)	Number	1,865
Number of non-production suppliers (Project procurement)	Number	2,036
Production suppliers by category		
Number of suppliers of general products	Number	978
Number of suppliers of specialized products	Number	1,247
Quality Management		
ISO 9001 or IATF 16949 quality management system certification coverage	%	22
Research and Development (R&D) Innovation		
Investment in research and development (R&D) Innovation	RMB 100 million	53.8
Number of patents filed in the year	Number	1,047
Number of invention patents filed in the year	Number	623
Number of patents granted	Number	691
Total number of patents granted domestically and internationally	Number	8,977
Product and Services		
Customer satisfaction	%	87.8
Number of complaints for products and services	Frequency	810
Complaint resolution rate for products and services	%	100
Public Welfare		
Investment in public welfare	CNY in 10,000s	1,816

Governance Scope

Indicator Name	Unit	2024
Number of risk management training sessions	Frequency	29
Number of participants in risk management training	Person	1,944
Number of participants in integrity, cleanliness, and compliance exams	Per thousand people	3
Number of participants in anti-corruption training	Per thousand people	3
Supplier integrity cooperation agreement/commitment signing rate	%	100

Shanghai Stock Exchange Guidelines Index

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